

Review of INTERNATIONAL AFFAIRS

VOLUME XII JULY 5-20 1961

NUMBER

270-1

BEOGRAD

Published by
THE FEDERATION OF
YUGOSLAV JOURNALISTS

★
Chief Editor and Director
MILORAD MIJOVIĆ

Price per copy 40 cents
Issued twice a month

POLITICS • ECONOMICS • LAW • SCIENCE • CULTURE

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OBSERVER

THE agenda of the Belgrade Conference of the Heads of Uncommitted Countries will be established by the Conference itself, but from the conclusions of the preliminary meeting in Cairo it appears that this Conference will tackle in its work the most important international issues of our time. It is faced with the task of formulating its stand, from positions not restricted by the protection of bloc interests but permeated with the spirit of constructive internal cooperation, to problems which have called to themselves the attention of the world public. This task, determined by the momentary juncture, is important enough to make the Conference of the non-aligned statesmen into a significant event, the more so as eminent representatives of countries playing an active role in international developments will meet there.

But it should be borne in mind that the importance of the conference lies not only in analyzing and taking an attitude to the situation ruling in the world today and the acute aspects of crucial, international issues. In its historical aspect the Conference is not the product of a momen-

tary situation in the development of the international situation, but the expression of a long evolution and crystallization of the motive power of modern history. It is this lasting historical aspect of the September Conference in Belgrade that has been largely commented on by the world press. It goes without saying that the bloc-tinged comments try to stamp the Conference as an attempt to set up a third bloc. This may appear logical by way of bloc inference, for it has become manifest that non-aligned countries cannot be absorbed into the existing bloc structures.

These insinuations have been answered clearly and competently enough to make it unnecessary to refute again these attempts to distort the purpose of the Conference. But the same commentators endeavour to stress most emphatically the alleged, fundamental differences in the stands and views of the participants to prove by "arguments" for these differences that the task of the Conference to form a third bloc — a task they have invented themselves — is not realizable, so that the Conference will be

unsuccessful. This method is not new in the practice of superficial treatment of international and political problems. It is the favoured method of all those that lack arguments to refute what is not to their liking.

The basic platform for the convening of the Belgrade Conference cannot be reduced to the mere statement that the countries concerned do not wish to be aligned with any bloc, since this statement would not afford a sufficient basis for active political dealing. To be non-aligned need not necessarily mean to have a constructive attitude towards the developments in the world. Besides, the definition of the non-aligned attitude must be more complex than that of the bloc-attitude, which gauges all problems, conflicts, disputes and differences in the winning or the losing of positions in the inter-bloc conflict, without assessing the far more complex components and effects of specific situation and questions if viewed from the aspect of the common interests of the international community. Bloc policy is formed more or less in one centre only, or in a narrow circle with clearly marked hegemony. The degree of subordination of the specific interests of the individual countries, which need not necessarily be considered as opposing the general interests, may vary in the bloc conception, but, in essence, these specific interests are not subordinated to the general international interests but to those of the centre.

The joint action of non-aligned countries is not conceived on the basis of imposed discipline or subordinated interests in a bloc sense, for this would be impossible. The basic constructive element on non-aligned policy and action lies in achieving international cooperation and co-ordination through voluntary participation and through full respect for the individuality of each participant. Only for conceptions with bloc limitations is it infathomable that such a method of international cooperation is not only possible but creates strong and lasting bases for mutual understanding and voluntary acceptance of individual restrictions in the interests of the basic international objectives — the strengthening of peace through equal, constructive co-operation of independent countries.

The starting-point of the September Conference in the widest and historical sense of the word, is not the mere statement that a certain number of non-aligned countries exist, but the practical application of the principles of constructive international cooperation. But this does not exclude different views on certain questions. On the contrary, such differences are normal and cannot but enrich reciprocal consultations and negotiations. Different views on specific questions are dangerous only in a system of rigid discipline and obligatory subordination to hegemony or hegemonies. The inter-relationships of the non-aligned countries mean international cooperation, limited only by the general conditions ruling in the world, and founded on the principles for which these countries have pledged themselves in their international activities.

Taking this platform as the basis for their activities and cooperation with one another, the non-aligned countries do not and cannot intend to form an exclusive club or a fraction in inter-

national life. Like all other conferences, the Belgrade Conference will have a fixed number of participants. But this does not mean that the debates will be governed by the exclusive interests of the participants. In view of the voluminous task of the conference, the diversity of the questions to be dealt with and the successful achievement of this pioneer undertaking, it is not difficult to understand how important it is that those countries should meet in the first place there that have — according to their international situation and other criteria defined in Cairo and through their previous cooperation and contacts — shaped harmonious concepts concerning the mentioned basic questions of international co-operation.

The significance and international effect of the Belgrade Conference will depend on the quality and content of its work and on its concrete results rather than on the number of its participants. By insisting on the greatest possible number of participants at any cost, an element of exclusiveness would have been introduced into the conception of the Conference, for its initiators have pointed out from the very beginning that they do not consider the planned conference as a meeting of all those who are of the same mind.

There are certainly many countries, and it seems the initiators have never doubted it, that will not participate at the Conference, but are ready to cooperate, and will undoubtedly do so, with the participants in joint actions at the United Nations and in the international field in general, just as there are countries that have done so in the past but will not be represented at the Conference.

Since the Conference is not conceived as the meeting of an international fraction, its resolution cannot hamper equal and active cooperation in any question with any country prepared to cooperate regardless of whether it has participated at the Conference or not. We may recall the meeting of five leaders in New York in September. Although a meeting of five was involved, it resulted into the wide cooperation of a great number of delegates, who supported the appeal of the five leaders to the president of the United States and to the leader of the Soviet Government, and who cooperated in the submitting of the resolution which had evolved from the cooperation of the five leaders, and which was unanimously adopted at the end of the general debate. We could cite similar instances from the work of last year's assembly of the United Nations, such as the resolution on the liquidation of the colonial system etc.

As regards current international events, the platform of the Conference will, no doubt, be more concrete, but it is expected to be likewise built on the principles which have served as the basis for the convening of the Conference and which will serve as the basis of the development of its work. Its approach to the general questions of the international situation, dominated by bloc antagonism, originates, in fact, from the principles of non-aligned policy. This, however, does not imply any ostentatiously hostile attitude towards any country or group of countries, or the creation of new tensions in the world. The aim of the Conference is, not

to provoke conflicts, but to find ways and means to ease international tension, and to create an atmosphere conducive to constructive discussions on controversial international questions. It should not be too difficult to link the principles, held by the participants of the Conference, with a constructive treatment of the questions which are in the centre of international tension or, in other words, to preserve the spirit and tone of constructive criticism and to expound one's own views without abandoning one's own principles.

Among these general questions an outstanding place will obviously belong to the problem of the liquidation of the colonial system and the settlement of the pending issues caused by the resistance to the struggle for the liberation of the peoples that are still under colonial domination. This question is of great interest to the majority of the participants at the Conference, not only in view of their own historical experience but also in view of the fact that by their efforts and energetic actions they have raised it from the phase of liberation of individual nations to the level of a question involving in principle the urgent and total liquidation of the colonial system in general and of all its aspects. Hence the Conference is expected to give a fresh impulse to this problem, which will contribute to the activity of the forthcoming session of the General Assembly of the United Nations.

As regards the question of disarmament and the ban on nuclear tests, the Conference will probably have a clearer picture of the destiny of the talks which are in progress. But it is difficult

to believe that before the meeting in Belgrade such results will have been achieved as will make it unnecessary for the non-aligned countries to make active efforts to advance a step further and to clear the atmosphere which impedes the reaching of initial agreements on these two questions.

From the agenda of the forthcoming session of the United Nations, the Conference will probably deal with a number of other questions, such as the aid to economically underdeveloped countries and the functioning of UNO and its Secretariat. This question is so fraught with bloc conceptions that any contribution of the non-aligned countries to further the work of this organization and its principal organs will be an asset, if not for the solution of international problems, then, at least, for making the United Nations into a more efficacious instrument of the international community.

Through debates on these and other current issues and the manifestation of equal international cooperation on the broadest basis, the September Conference will be a novelty in international practice, not only because of the number of prominent statesmen assembled in one place, but also because it will show the pattern of international cooperation on the basis of the principles on which the policy of its participants is founded. Through the Belgrade Conference the principles of constructive international cooperation without alignment with blocs will obtain a concrete example of practical application.

CURRENT TOPICS

THE TITO-SUKARNO-KEITA MEETING

By N. OPAČIĆ

YUGOSLAVIA recently welcomed two outstanding statesmen from two continents — President Sukarno of Indonesia and President Modibo Keita of the Mali Republic. The happy coincidence of the two visits afforded the three champions of the contemporary policy of peace and independence — Presidents Tito, Sukarno and Keita an opportunity for exchanging views, on the eve of the conference of the heads of state and government of uncommitted countries, on the most important aspects of the international situation. The communiqué on their talks reflects their deep loyalty to the principles of active and peaceful coexistence and their firm determination to extend the maximum contribution to the efforts for the relaxation of world tension and the advancement of international co-

operation in the interest of peace, equality of peoples and universal progress.

The meeting of the statesmen at Batajnica Airport near Belgrade constituted an integral part of the preparations for the conference of uncommitted countries in Yugoslavia in September this year which, to all appearances, will mark one of those crucial events whose effect on the general condition of international relations will have farreaching, lasting and highly positive consequences. Directly succeeding the Preparatory Meeting in Cairo, whose decisions opened a new stage in the co-ordinated international activity of the non-aligned countries, the meeting of the three leaders of uncommitted policy was entirely dominated by an effort to intensify the constructive activity and unity of

action of the non-aligned countries. This effort aimed at improving the world political atmosphere and exerting a positive influence on the course of events, with a view to finding ways and means for solving the accumulated disputes and problems, represents the most effective preparation for the September gathering of peace in Belgrade.

The talks between Tito, Sukarno and Keita at Batajnica Airport have confirmed the identity of views on the causes of the present tension in international relations and the aims of the policy of independence and non-alignment. It has not been hard to achieve this co-ordination of views between the countries loyal to the principles of the UN Charter, which actually constitute the basis of the policy of active and peaceful coexistence, for these countries have no other aims except to ensure respect for and the application of the positive sense of the principles formulated in the UN Charter in international relations, the stabilization of world peace through equal co-operation of peoples and the unhindered political, economic, social and cultural development of every country.

There is no divergence or contradiction between the principles of the UN Charter and those of active coexistence. The tendencies of certain states to solve international disputes by the use of force, disregarding a nations' elementary rights, and to build up and alter relations between countries, and the appearance of the present-day world, in accordance with the egoistic interests of the great powers and bloc criteria — prevent a consistent application of the principles of the Charter, obstruct political and socioeconomic progress in the world and lead to increasing dissension and mistrust and the

creation of dangerous crises threatening peace and the future of mankind.

Such a situation in international relations which only leads to unrest, mutual hatred and conflicts instead of the prospects of peace, security and progress, thus threatening to make the whole world follow irrevocably the path of self-destruction, is the principal reason for convening the conference of the heads of state and government of the uncommitted countries. To the ideology of dissension and war, these countries have counterpoised the road of pacification and fruitful co-operation on principles which will eliminate the causes of the conflicts and make it possible for the fruits of human genius to be exploited for universal well-being.

By co-ordinating their efforts and by formulating their views on the basic tasks of the policy of non-alignment, the three presidents have made a notable contribution to the strengthening of the solidarity and unity of the non-aligned countries and their constructive activity in preparing the September gathering.

The meeting of the Yugoslav President with the outstanding statesmen from distant Indonesia and the young, dynamic African republic is an extension of the intensive and fruitful activity of President Tito as a statesman. His recent mission in Africa, where he had a number of meetings with the highest leaders of free Africa and the Arab East, marked an important stage in the general efforts of independent policy, and it was in the course of this visit that Tito and Nasser put forward the initiative for the convening of a conference of non-aligned countries and the realization of their closer unity in the struggle for world peace and co-operation on the basis of active coexistence.

VIEWS AND OPINIONS

INTEGRATION — DILEMMAS AND PROSPECTS

By Lujo TONČIĆ-SORINJ

TWO THEORIES confronting each other emerged when, more than a decade ago, theoretical discussions on European integrity began. One of them supported integration based on the classical methods of cooperation among sovereign States, in which the unification in all fields of public life would be achieved through a series of bilateral and multilateral agreements. According to this theory, the sovereignty of the member-States would be maintained, and in the first place, it would come to expression through

the principle of unanimity in reaching decisions, whereas the climax of such a development would be the transition to a united and internally fully harmonized form — probably *sui generis*. According to the other theory, classical methods are not suitable as a means of fulfilling such supernational ends. In the opinion of the supporters of this theory, the important thing is to found supernational organs which would be given the task of settling questions from all walks of public life in the whole of Europe and in which

decisions would be passed by a majority of voices. It is clear that the question in this case is to eliminate certain forms of State sovereignty and to establish supernational organs. The ultimate aim would be to create such supernational organs in Europe and to replace the individual State sovereignty with general European sovereignty. In essence, the aims of both theories are the same; the methods, however, are quite different. Already at that time, the conflict was transferred from theory to practice. The organization of the EEC, the European Council and the West European Union, as well as NATO, are based on classical principles and internationalism, and on the application of the principle of unanimity on important questions. The Coal and Steel Community, Euratom and the European Economic Community have inaugurated the supernational organs. At first, these organs were somewhat weak, but have been gaining in strength ever since. The past theoretical conflict has been revived several times in practice. Thus, for instance, the European Defence Union has suffered a failure owing to France's resistance and the plan to create a European political union was abandoned immediately after the objections made by Parliamentary representatives who conducted negotiations. The same conflict has now arisen between the EEC and EFTA. The EEC is an economic union which tends to become political by adopting the principles of supernational methods. The other organization represents a system of cooperation among the majority of European countries which, for some reason or other, cannot embark upon the road of supernational methods and which utilize the classical methods in reaching important decisions.

The general goals and preambulae of various agreements and, primarily, statements made by responsible statesmen, show that the two groupings have an identical goal — to do away with the economic and political division. In this, four problems have recently emerged:

Agriculture in Europe

In countries which, in principle, reject the guided forms of economy and which uphold the principle of the free forming of economic and social life, agriculture is, more or less, subjected to strong State intervention. This becomes apparent in deciding the production characteristics and granting subsidies. This is the case with the United States and Canada. This special system of protection will have to be adopted by an integrated European agriculture. However, regulations in individual countries are based on their specific conditions. Therefore, even minor changes aimed at introducing equality may cause crises. For this reason, it must be assumed that the integration of agriculture will progress more slowly than in industry or crafts.

Commonwealth

Until recently, the Commonwealth countries were not greatly interested in European integration. The situation changed when Britain started extensive discussions with France and when the African members of the French Community, who enjoy privileges on the Common Market,

became greatly interested in the European integration. New Zealand and Australia do not wish to lose either the British market which consumes their agricultural products, or the privilege ensured by the preferential customs system. Canada, too, has serious problems. Ghana and British East Africa are affected in a considerable degree by the developments in Europe. The volume of trade between British East Africa and the member-countries of the European Economic Community is at least as large as that with Britain. The least affected are the Asian members of the Commonwealth. However, it is felt there, too, that certain advantages may be gained by joining the European Economic Community. Regardless of the outcome, the Commonwealth countries have grasped that the consequences of closer relations between Britain and the European Economic Community can only be negative. It is also held, however, that certain changes will have to be introduced. If, by the end of the year, economic cooperation between the countries of the French Community in Africa (Madagascar, Somaliland and the Congo) on the one, and the European Economic Community on the other hand, will successfully be put on a new basis, Nigeria, for instance, will also have to regulate her relations with the European Economic Community. If it is born in mind that the aim of the European Economic Community is, ultimately, to achieve political unity, it is understandable that the political reaction in individual regions of the Commonwealth will be different. In India it is feared that Europe, organized on a supernational basis, will be so great a political and economic force that Africa and some parts of Asia will necessarily have to become dependent on it. On the contrary, Canada welcomes such a development since it offers a certain counterbalance to the United States Atlantic aid and this make her position easier and more favourable above all. Australia and New Zealand are eager to preserve Britain's leading position in the Commonwealth and her role and place in the European integration. South Africa has recently considerably improved her relations with the EEC and EFTA. In this, a certain role has been played by some fears that the boycott of South African goods, so far insignificant, may be expanded by individual African and Asian countries. In any case, it may be concluded that Great Britain, which has been authorized by other Commonwealth countries to negotiate with EEC, will not accept any solution concerning the European Economic Community which is not acceptable to other member-States of the Commonwealth. This means that the European Economic Community will have to change its internal structure if the relations with Britain are not to be based on a series of separate provisions.

EFTA

In the past two years, the Union of Six was justifiably enthusiastic about the European union. For, the EEC, as a structure, is not only something entirely new, but also an organization which secures economic advantages for its members and gives rise to the feeling that a world power of 180 million people is emerging. Moreover, the EEC is a symbol of the easing and ending of the Franco-German differences, and

even a symbol of their friendship. It is developing and strengthening faster than originally planned, thus proving that the actual inevitability and certain historical tendency underlie the desire for the unification of Europe. The fact that the opinion of General de Gaulle on the nature of the European Economic Community differs from that of its Commission and the majority of Western politicians reveals a difference in method, but not doubts in the inevitability and usefulness of the Community. This natural reaction to the successes achieved has resulted in the wrong conclusion that the conceptions of the EEC can be applied to the whole of Europe, or, in other words, that the European community is the only real Europe. The members of EFTA have not gathered together in the way they have for sentimental reasons or in order to create a political antithesis to EEC, but because they, for various reasons, have not been able to follow the supernational line and because their position in the talks with EEC is stronger than it would be if they appeared individually.

In spite of all estimates, trade between the EEC and EFTA countries has continued to increase of the past two years, and the fear of discrimination, originally felt in Denmark, Federal Germany, the Netherlands and Austria, is rather a fear of future developments. Britain's specific position has already been mentioned. Her attitude is important for the Scandinavian countries, and also for Portugal. The successful association of Finland indicates the advantage of EEC's two year long efforts to reach agreement on the association with Greece. EFTA is the first proof that the countries around EEC can unite only by using flexible methods, specifically adapted to every individual case. As in the case of the Commonwealth, Britain is not willing to reach any agreement with EEC without the consent of her partners in EFTA. The tendency of Denmark and Austria to use the customs autonomy in her relations with third countries (guaranteed by the agreement on EFTA) is a partial economic solution in their relations with the EEC is undoubtedly strong. On her part Switzerland started negotiations with the EEC some time ago.

Position of Neutral Countries

The position of neutral countries is a specific factor in the further development of European countries. It is not decisive, but is of the utmost importance for the countries concerned. Switzerland and Austria have a status of permanent neutrality, whereas Sweden and to a lesser degree Ireland, simply do not enter any pact agreements. Sweden has been pursuing this course in her foreign policy for 150 years. After the Second World War, Sweden further strengthened this attitude since it was obvious that the Soviet Union would respect the internal freedom of Finland only as long as Sweden remained at least outside the North Atlantic Treaty Organization. With the exception of the clauses on giving notice included in the agreement on EFTA, no legal difficulties could arise for Sweden if she expressed the wish to join the European Economic Community, which, however, is not the case. However, the position of Switzerland and Austria is much more complicated. A country of this type must

even in peace find refrain from all acts which might prevent or hinder the fulfillment of the obligations arising from neutrality in case of war. This means that the foreign policy of such countries is in a way restricted by their neutrality. This became apparent for the first time when Switzerland, in implementing the sanctions passed by the League of Nations against Italy, became aware that a permanently neutral country cannot take part in such repressive measures, even if they are economic, because they cause an economic war and because they are a weapon the same as any other weapon. And the basic principle of neutrality is to avoid any form of war. This is why membership in an economic community, and particularly membership in a community which has definite political goals, is unacceptable to a truly neutral country, if such community passes its decisions by the majority of voices in the course of which neutral countries may be overruled and which, if the need arises, and in any case under its provisions, may start an economic war or impose economic restrictions against any other country outside the community. If full European unity is achieved, at least Switzerland and Austria will have to regulate their participation in integration on the basis of agreement, restricting themselves to purely economic aspects and pledging themselves not to join any supernational organ nor to obey its decisions. Furthermore they will have to undertake an obligation that their pledges arising from neutrality will be fulfilled in case of war or economic repercussions. This problem will have to be solved — although in a different form — by harmonizing the principles of neutrality and the United Nations Charter.

OECD as a Synthesis?

It is too early to judge whether solutions to the problems of EEC and EFTA will be found in the synthesis of a strengthened OECD. Certain difficulties have arisen lately in connection with the tendency to introduce parliamentary supervision of OECD. According to a decision passed by the Consultative Assembly and the Ministerial Committee of the European Council, which was favourably assessed at the consultations within OECD, this organization will have to found a su-



pervisory parliamentary organ in the form of a consultative assembly to be nominated by the representatives of the legislative organs of other members of OECD and which will meet once or twice a year for *ad hoc* sessions. This, somewhat unwieldy construction, is a result of complex negotiations within the Consultative Assembly, because the socialist forces have made strong objections to the suggestion of the Spanish Cortez being treated as a democratic Parliament. There have been similar criticisms on the Portuguese Parliament. The Conservative and Liberal circles have emphasized the need to place the general European interests above such ideological differences. It is not unlikely that the Portuguese delegate will soon take part as an observer in discussions on the economic matters of the European Council, and thus follow the example of Switzerland who has been given the status of an observer and who is taking active part in the work of the Economic and Agricultural Commissions; she will probably take part in the work of the Commission for legal, social and communal matters, as well. Far greater difficulties in the possible establishment of a supervisory parlia-

mentary body for OECD will be caused by the United States Constitution. The American Congress holds the view that American Parliamentarians cannot take part in the work of international Parliamentary bodies, including consultations. It is not yet clear how it will be possible to solve this problem which may also arise in the case of Canada.

It can be concluded that integration is under way, that a development which cannot be prevented or stopped has begun, and that no final form of a more significant sector has so far been shaped. The turning point will be the agreement between EEC and EFTA, either on the basis of coordination, or through the creation of a supreme organization. If this can be accomplished, it will be possible to carry out unification in a few years. A United Europe will be of the *sui generis* structure, representing a condensed force of nearly 300 million people supported by a number of overseas provinces and cooperation with a series of associated, primarily African, countries on the one, and enabling its members to preserve their individual and specific characteristics, on the other hand.

KENNEDY AND KHRUSHCHEV AFTER VIENNA

By L. ERVIN

AFTER their meeting in Vienna, the President of the United States and the Leader of the Soviet Government held speeches, broadcast on the radio and television, in which they acquainted their fellow-citizens with their impressions and their conclusions from this meeting. These speeches differed widely in both their inspiration and their contents, but they are nevertheless helpful in conveying an idea of this meeting and of its further influence on the development of international politics, and of the relations between the United States and the Soviet Union.

Neither Khrushchev nor Kennedy did achieve any progress in the settlement of international problems or in mutual understanding, but they nevertheless reached an agreement upon one point: They agree that their meeting was useful because it was an opportunity for them to expose their views openly and to get acquainted reliably and in direct contact with one another and with one another's stands.

President Kennedy's speech contrasts with the usual speeches on similar occasions by the absence of any effort to mitigate the sharp unreconcilableness of the political interests and stands which clashed at the meeting with Khrushchev or to entertain hopes that these differences can be eliminated or overcome. Thus this part of his speech has left a depressive impression. He described, first of all, his meeting by using the method of negative definitions, not according to what it was or what it contained but according to what it was not and what did not contain.

If we used the style of the Anglo-Saxons we should say that it was a "gentlemen meeting" at which unpleasant communications were exchanged in a polite manner.

The American President only touched on concrete issues and found that no overtures had been made. He consecrated the principal part of his speech to the general problem of American-Soviet relations and the future American policy within the framework of this relationship. Kennedy said that there is a total disagreement between the United States and the Soviet Union not only in respect of political concepts and conceived prospects of future developments, but even in respect of the meaning of terms used in political terminology. The characteristic feature of Kennedy's attitude to this disagreement is that he seems to treat it as a definite state, since he does not see or, at least, he does not suggest in his speech a way to change it. Assessing all these differences in the domains of interests, of political conceptions, and of ideas and words, Kennedy did not show a way out of them, but arrived at a conclusion which is important. He arrived at the conclusion that both partners realized the fact that "every nation can cause huge damage to others, that such a war should be avoided in any manner possible, for it would not settle any conflict nor prove any doctrine, and it is therefore necessary to be careful and to prevent opposing interests from coming into direct conflict that can provoke war." After the pessimistic evaluation of the American-Soviet relations this vigilance

for the future is an asset and a great relief in the appraisal of the international situation.

In his speech, which came after Kennedy's, the Leader of the Soviet Government proceeded in inverted order. He allotted a smaller part to the general conceptions of the two sides, and devoted the greatest attention to the explanation of the Soviet theses on concrete problems and to the polemic with the well-known concepts of Western policy. Khrushchev, too, must have arrived at similar conclusions on the deep antagonism in American-Soviet relations, but he continues to fight for the policy of his own government, re-explaining all arguments patiently and refuting the objections coming from the West. Although it is known that the West does not accept these theses, Khrushchev's arguing makes a less depressive impression, for he presupposes further negotiations and does not close the debate with a conclusion suggestive of resignation and fatalism, as one might conclude from some of Kennedy's statements.

Pessimistic as these tones are, the final conclusion on the Vienna meeting need not be so pessimistic as it seems to be if judged by certain passages from Kennedy's or Khrushchev's speeches. If the partners convinced themselves at their meeting that neither side is willing to abandon its own theses, if the danger of miscalculating the stands and eventual reactions from the other side is diminished and if both partners arrived at the conclusion that disagreement cannot be solved by war, then the Vienna meeting was useful after all, and its bearing on the future course of events may prove constructive. For, if both partners have ascertained that neither of them will yield to diplomatic manoeuvres or pressure, and that war — except huge mutual damage — would not bring anything to them, then the only possible is that there is no other alternative than mutual yielding and peaceful settlement of conflicting interests. It is an unfavourable aspect that no points in common could be found at the Vienna meeting. But, on the other hand, it is a favourable aspect that both partners have convinced themselves that discordance cannot be resolved by any policy of political pressure or force. This condemnation of the settlement of international conflicts by the use of force is one of the most important results of the Vienna meeting.

In his speech, Kennedy dealt also with the future policy of the United States towards poor and underdeveloped countries. This is a particular aspect of the system of American aid in which political elements play an important role. The United States has an extensive system and diverse forms of economic and technical assistance to various countries. It may be that the conception of economic aid with political objectives is not applied to all these forms, but when underdeveloped and backward countries are involved, this aid is viewed in the light of bloc antagonism between the United States and the Soviet Union and the ideological contest of the systems represented by them — an aspect repeatedly stressed by Kennedy in his public statements — implying the problem of checking Soviet influence in these countries and of ideological "defence against communism".

Kennedy based himself on the premiss that the internal order in most of these countries is unstable and that underdevelopment, misery and backwardness are the causes of the dissatisfaction of the people there, which, under the influence of "communist propaganda", is manifested through leftist tendencies, anti-American trends, subversive actions and insurgent movements. By this generalization and bloc definition of the developments in underdeveloped areas, Kennedy was brought into the situation to regard people's liberation movements, whose political physiognomy is, at least today, quite clear, as the potential carriers of "the communist danger" as the late Foster Dulles put it in his simplified formulations.

Kennedy said that the United States could no longer intervene in these "so-called liberation wars" as it had been able to do in Korea, for the power had changed since then. In his opinion, military guarantees against "communist aggression from abroad offer poor protection against internal decay." There remains the alternative, as the only policy recommended by him, to afford these countries sufficient military aid for the organization of their own forces and sufficient economic assistance for the elimination of backwardness and for the furtherance of prosperity, which will prevent any insurgent action. By these arguments for his policy of military and economic aid to underdeveloped countries, President Kennedy comes back on the arguments which were put forward to support Truman's doctrine and the Marshall plan.

While he accepts the ideas of Truman and Marshall, which expressed the doctrine of the Democratic Party in the first period of the cold war, Kennedy, by censoring the efficacy of military guarantees and anti-communist leagues, rejects the Republican doctrine of military combat against "aggression of international communism", which was cherished by Dulles. The anti-communist doctrine of Dulles expressed in pacts and alliances, containing the obligatory clause on guarantees against communist aggression, was censored in Kennedy's speech as inefficacious and outmoded by the development of power and balance, in which the danger of attacks from abroad is reduced. Kennedy's doctrine of military and economic aid to underdeveloped areas should present a precaution against the danger coming from within.

The Leader of the Soviet Government did not leave without an answer these aspects of the disagreement between the United States and the Soviet Union over the political and social development of the world, but he made it shorter and used a different tone. What is surprising is the complete absence of polemic elements, to which Premier Khrushchev is otherwise inclined, and for which some of Kennedy's thoughts give occasion. "The purport of the President's statements — said Khrushchev — was that a dam should be erected against the movements of the peoples to establish in their own countries systems which are not to the liking of the governing circles of the Western countries."

The arguments chosen by Kennedy to support his programme of aid to underdeveloped countries may have been the dictates of political and tactical considerations. It may be that the

elements of his speech should be appraised in the light of the difficulties and complications encountered by his Administration in the representative bodies in connection with the implementation of this programme. But the idea of stating political objectives and interference with internal affairs as the motives for rendering assistance to a country has become unpopular in the world today. In many cases it has proved to be impracticable and detrimental, carrying in itself the germ of its own failure. The gravest objection to this policy towards uncommitted countries is that aid is treated as a function of the disagreement between the United States and the Soviet Union, as a political instrument to defend the established internal systems in

these countries against the surges of liberation movements and social reforms. This mixing of different categories may induce American policy — as has been the case in some areas — to rely on outmoded and reactionary forces and compromised individuals in countries which are in the process of fermentation or in full swing of liberation, so that the aid intended to encourage progress in these countries serves for the strengthening of reactionary forces and the hampering of progress. Identifying itself with the unpopular policy of the rulers, it makes enemies of the peoples it wants to help. Experience has shown, especially in the areas for which such programmes are chiefly intended, that such a policy cannot lead to the desired political results.

ADEN: STRUGGLE AGAINST FOREIGN EXPLOITATION AND COLONIALISM

By Mohamed SALIM

ADEN has a very important strategic position and is one of the most frequented ports on the Red Sea. Official international data indicate that the port of Aden ranks immediately after New York by the number of ship passing through it.

Aden is a small Arab town. It occupies part of the Yemeni territory invaded by Britain in 1839 and is still under British rule.

Aden is inhabited by the Yemeni Arabs born in the town itself, in the emirates under British protectorate, or in Northern Yemen. In addition to the Arabs, some other nationalities — Hindu, Somali, Italian, etc. — also live in Aden.

At present, a large number of British troops are stationed in Aden, many of whom have come from Palestine, Suez and Cyprus. The British garrisons now occupy a large region of Aden. In the vicinity of the Aden oil refinery intensive work is in progress on the construction of a large base and a town for the British troops stationed there.

Like the people of any other country under foreign domination, the people of Aden are striving towards freedom and, guided by this feeling, are waging a persistent struggle against colonialism. Unfortunately, the political movements in Aden are rather weak, and this enables the colonialists to suppress them easily.

The imperialists have divided Aden and the so-called Aden Protectorates (South Yemen) into twenty-four meshiahs (a region governed by a sheikh) and sultanates which, are in fact, governed by the imperialists, either directly or through the sultans and sheikhs.

Together with colonialism, foreign exploitation has likewise penetrated into the country, too. Do-

mestic capitalists found allies and protectors in their foreign colleagues.

The struggle of the people of Aden against foreign domination and exploitation has assumed more concrete forms in the course of the past few years. In 1956, continuous strikes organized in all walks of public life paralysed industry, harbour traffic, oil refineries, transport, air traffic, light industry, wholesale and retail trade. Workers employed in the British Army barracks also went on strike. These strikes were organized mainly because the employers and capitalists refused to respect the basic labour rights, including the right to found trade union organizations.

Since that time, the working class began to consolidate its positions and to fight for its rights. The workers managed to win higher wages, partial social insurance, fixed working hours, one free day a week, annual leave and certain rights concerning the years of service. In this way, twenty-four trade union branches represented by the Workers' Congress or by the General Confederation of Labour established in 1956, were formed in Aden. The Workers' Congress played a very important role in uniting the workers and organizing their struggle.

In the course of their struggle, the workers encountered many difficulties and had to make many sacrifices. Many of them were arrested, many dismissed, particularly in Northern Yemen. Liberal labour newspapers which supported the workers' movement, such as "Al Bas" and "Al Fikr" were banned. The same happened to the organ of the Workers' Congress, "Al Amil" (the Worker).

At a trial in 1958, the British authorities sentenced two labour leaders to terms of imprisonment

only because they condemned bribery and corruption in an article published in "Al Amil". On October 31, 1958, when the sentences were pronounced, the workers organized a three-day general strike in Aden. During this strike, British troops opened machine-gun fire on the population. Dozens of citizens were killed by British tanks patrolling the town. A large number of workers were arrested. And yet, the workers' movement continued to gain in strength. It enjoyed the support of the entire population as a national movement and a means in the struggle against exploitation and imperialism.

The workers of Aden, born either there or in Northern Yemen, are fighting for a joint cause. This is why the people support their struggle and consider it the only way leading to unity. In the past this unity was destroyed by passive policy and the division of the country. For this reason, the people turned to the workers' movement seeking in their struggle for the liberation of the Yemen from colonialism and for Arab unity. The intelligentsia and bourgeoisie rallied around the workers' and it may be said that the workers' movement in Oman is the strongest movement on the Arab East which is waging a struggle against foreign exploitation and colonialism.

However, the colonialists are not sitting with folded hands. They are busily plotting and attacking the workers' movement. Thus, for example, in August 1960, the British authorities passed a law banning labour strikes. At the same time, they again banned the "Al Amil" paper. In reply to these repercussions, the workers organized a five-day strike — one hour every day — and shortly afterwards went on a three-day general strike. The imperialists were obliged to bring up reinforcements from Kenya as the forces stationed in Aden were not strong enough to suppress the revolt of the workers. British tanks and armoured cars crowded the streets of Aden,

protected by numerous jet aircraft. The British troops opened fire on the citizens, including women and children. The authorities announced their decision to dismiss all workers and employees who joined the strike if they failed to report to work by August 18, 1960. A number of Sultans cooperated with the colonialists by replacing the workers who were on strike with Bedouins. The Workers' Federation realised that the imperialists intended to use the strike as a pretext for open conflict in order to destroy the workers' movement completely.

Being aware of the gravity of the situation, the Congress decided on August 17 to end the strike but it rejected categorically the law on the banning of labour strikes. This was the only way to preserve the workers' right to strike when deemed necessary.

The struggle of the people of Aden is still going on. The workers are consolidating their ranks. The Workers' Congress is at present engaged in the reorganization of the trade unions so that the twenty-four branches will be organized into eight Federations representing transport workers, workers employed in the exploitation of oil, technicians, workers employed in the light industry, teachers, public servants and employees working in local services, as well as workers and employees working in British Army institutions.

Faithful to the goals of the all-Africa struggle against colonialism and emancipation, the Workers' Congress of Aden took part in the first conference of African nations. The Congress also became a member of the Pan-African Trade Union Federation recently founded in Casablanca. Furthermore, the Congress is a member of the Arab Trade Union Federation. Supported by the people of Aden and all the progressive forces of Africa and the Arab East, the Congress is convinced that it will successfully end its struggle against foreign domination and exploitation.

ECONOMIC PROBLEMS

THE COMMON MARKET ONCE MORE

By Thomas BALOGH

THE PAINED tergiversations of the Cabinet about Britain's entry into the Common Market, their blowing hot and cold on alternate days and through alternate Ministers, cannot hide the impression that a decision has been taken to enter the Common Market, if this can be done at all without completely losing face.

I have always been an opponent of the Common Market. I felt that it would hamstring Europe in much the same way as the Australian constitution has hamstrung the Commonwealth in economic matters. But the Australian Commonwealth is bound together by common past, common heritage and common language. None of this

applies to Europe. The Commonwealth is more or less homogeneous, Europe is heterogeneous. The Commonwealth economy developed on the basis of that constitution. Europe is fully developed and the enforcement of a constitution which enjoins negativism in economic and social affairs would have quite different and probably disastrous consequences.

I have lately come to hold a slightly different view. I feel that nothing can stop our drift towards inferiority if we stay out* and, after a while, we should be confronted with a position which is almost impossible to cope with. The sacrifices which would then become necessary to make England viable are so great that no Government, not even a most determined Left Wing Labour Government, is likely to contemplate them. On the other hand, it is obvious that certain of the rules of the Rome Treaty have been interpreted in such a broad fashion in the last few years as to make planning possible, even without nationalisation. In any case planning would be possible through nationalisation if the political will existed in a member country.

I have no doubt that joining the Common Market would represent a repetition in Britain of the French and German "miracles", i. e. a cut in real wages followed by an increase in inequality and a substantial increase in capital accumulation and modernisation of industry. I am sharply opposed to this. But it does provide a possibility for Britain's international viability and influence, while the alternative of doing nothing is really much worse and the alternative of aggressive expansivist Socialist planning is unattainable. While, therefore, I feel apprehensive and hostile to the way in which economic recovery in this case would come about, and even more apprehensive and hostile about the domestic consequences of the operation, I am, as an economist now inclined to think that we shall not be able to stay out. I must say I am very torn in my mind about all this, but still I feel that the economic argument on the whole leaves one in favour of going in.

The Economic Argument

I think the decisive argument from the Government's point of view for joining the Common Market is that it will:

(a) jolt the entrepreneurs into a much more active policy through the threat of economic annihilation. This jolt might include suitable arrangements with continental competitors,

(b) the inevitable concomitant devaluation which would follow the decision to enter the Common Market would result in a sharp conflict with the trade unions. This would, within the Common Market, be decided against the unions; thus a cut in real wages and increased accumulation would make the jolt to entrepren-

neurs effective in increasing investment and accelerating technical progress.

(c) it would once more attract enterprise to Britain.

In this way growth could be accelerated in England and the country made safe against Russian trade incursions and of course also American and Japanese competition in third markets. In any case the European market itself is growing so quickly and import substitution is taking place so rapidly, that this would offset, or more than offset, any outside hazards, while staying out would confront us with the full blast of competition by America and Japan made more acute by being shut out from the European market. With a decrease of Empire preference and the introduction of convertibility, the Commonwealth markets no longer present a possible base from which to operate.

Two problems arise for the future. The first is whether under this system as established under the Rome Treaty, we can introduce planning in this country. The second is whether we can maintain our obligations to the Commonwealth, E. F. T. A. and our own agriculture respectively.

On the first question of planning, the situation is unclear. In principle, the Rome Treaty (para. 67) provides free movement of capital but this is qualified by the concession that this freedom is mandatory only "to the extent necessary for the proper functioning of the Common Market" (67/1). Moreover, paras. 104/109 provide escape clauses for balance of payments crises. It should be noted, however, that measures taken in these escape clauses need consent, except for devaluation where the only proviso is (107/2) that it must not endanger other countries' economies. Thus it depends on the interpretation of para. 73 whether control of flight capital movements which are certainly not necessary for the establishment of the Common Market, would be possible or not.

In principle, again the rule is laid down that nothing should interfere with free competition, neither cartels or any other means such as subsidies. But, here again, the rule is very strongly qualified already within the same para, (sub para. 3) and it will depend on how the exact wording is interpreted by a Court in case of conflict. What is certain is that England on joining must not have quantitative restriction on imports. No rule is laid down on direct control of investment. Nor is there rule concerning public enterprise; thus planning could be implemented to a very large extent by nationalisation.

The second question is whether the Treaty allows us to maintain our obligations. The only categorical answer that can be given is that the Sterling Area in that rudimentary form which now exists, i. e. freedom of capital movement from England, could not be maintained. The paragraphs dealing with capital movements non-discrimination and a preferential treatment of

* One of the important factors would be the redirection of direct investment towards the Common Market

the Commonwealth Sterling Area would not be possible. The problem of preferences, on the other hand, could be dealt with either through article 25 with the consent of the other members, or through protocols negotiated separately or through conventions such as regulated the entry of bananas into Germany and coffee into Italy and Belgium. Should, however, Britain join the Common Market the preferences would have to be given to all member countries, or they would have to be abolished. It should be noted that it is unlikely that any concessions to the Commonwealth can be in a form other than fixed tariff quotas, the level of which will be such as to give a preference to the member countries and certain overseas countries which become associated with the Common Market in an expansion of the market. In other words as Britain grows most of the growth will be reserved for intra-Common Market producers and the Common tariff would be applicable to Commonwealth imports. Generally speaking, the smaller ex-dependencies might be excepted to be absorbed into the Common Market. This would not be possible for Canada, New Zealand or Australia. The situation of the exdependencies on this basis would probably be more favourable than if the Common Market had not come into being. But if all ex-British dependencies were accepted into the Common Market there would be an export surplus in a number of products, in which case the protective aspect of the Common Market would fail.

So far as agriculture is concerned, subsidies are permissible under Article 42, and in any case certain indirect subsidies could be visualised. There is very little on balance for agriculture, except in as much as productivity might be expected to increase in France very fast, and in that case a pressure on staple food prices is possible. I discount, however, the survey of Mr. Colin Clark in this respect, because he is always animated by his desire to join a strong Liberal Catholic bloc and, therefore, usually overstates his case.

Economically then, joining the Common Market might provide a viable *liberal solution* of the problem of Britain by weakening trade unions and temporarily reducing or preventing the increase in real wages. Once the process of accelerating growth has been accomplished, the rate of increase in real wages of course would be faster than it has been in the past, and thus the working class will, after a time, benefit. But it does mean that the dynamic of the working class movement as we have known it in this country would be broken. This, I think, is the most important argument however secret, in Government circles for joining.* On the purely political plane, the Government has realised that their previous reasoning based on our special relationship with the Commonwealth and the United States, is rapidly wearing out. Unless, as I shall argue presently, a completely different policy is pursued,

the Commonwealth relations, apart from sentimental and probably foreign policy relations, would rapidly disappear and the foreign policy association, might well continue even if we did join the Common Market.** So far as the United States is concerned, it is quite clear that if the present trends continue the U. S. really will have to take the Germans and the French much more into account than ourselves.

It is obvious that the loss of independence would be objectionable to a lot of people in England. On the other hand, without power, very little can be done with our independence, except to play the role of a subordinate ally.

Is there no favourable alternative? There certainly is. I do not believe, however, that this alternative is politically feasible. It would represent an attempt by conscious action to restore the dynamism of Britain and use a very large part of the consequent gain to strengthen her position in the world, especially in the Commonwealth. I do not believe that a Tory solution on these lines is practicable because it would require a very large sacrifice by the working class and would have to be accompanied by very large profits. This is politically unfeasible.

The sacrifice under this solution would be necessary because we would have to increase our national investment capital and especially our foreign investment capital very rapidly. We should have to have an investment rate of at least 25 per cent, but rather nearer 27 per cent, in order to be able to devote some 2 per cent, or between 400 and 500 p. a. to foreign investment. Without very rapidly increasing our obsolescence rate, i. e. gross investment, it is inconceivable that a rapid acceleration in the increase in the national income could take place. Thus we should have to devote over the next say three or four years at least 9, probably 11 per cent, more to investment than at present. This would imply at least in the first two years a cut in wages of as much as up to 5 per cent, or equivalent to the cut suffered by the French in 1958.

It only remains to say that it will depend on the pressure applied by the Pacific Dominions as to how far the British Government will be impelled to insist on the necessary protocols to be negotiated safeguarding their position.

* Though not necessarily Mr. Macmillan's, to whom political considerations have a greater appeal.

** It is true that the Common Market have objectionable policies on disarmament and disengagement. But these policies can be enforced through NATO in any case.

OUR CURRENT ACCOUNT

"THE REVIEW OF INTERNATIONAL AFFAIRS" HAS CURRENT ACCOUNT AT NATIONAL BANK AND IT READS

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REVALUATION OF THE GERMAN MARK AND ITS CONSEQUENCES

By Djordje LADJEVIC

NOW that more than three months have passed since the revaluation of the West-German Mark took place on March 6, the question can be raised whether this was the final act of a process of only palliative in order to achieve a determined effect at a certain moment. In monetary policy revaluation is an unusual instrument to influence the internal economic situation and the balance of payments in a country. For ten years or so, the principal measure, applied by the Western powers to influence on internal economic circumstances and on the balance of payments, involved changes in the rate of interest. Low rates of interest served to stimulate economic activity when it was showing symptoms of fatigue or recession, while high rates served to prevent the economic boom from culminating on the one hand and, on the other, to influence the balance of payments in two ways: first, by reducing investments in the country and thus freeing certain quantities of capital goods for export and, second, by attracting foreign short-term capital into the country, which streng-

thened the national monetary reserves and helped the country to overcome crises.

West Germany had to resort to the revaluation of the mark, for these traditional means could solve neither her own problems nor those of balance in the Western world. West Germany had long been faced with an entanglement of contradictions. A way out of this situation was sought and finally found in revaluation. The inevitable corollary of the rise of the German industry and economy after 1950 was Germany's active balance of payments. Its two components were the active assets of her foreign trade and the expenditure of the United States and Great Britain — the German allies — on the maintenance of their troops on the territory of West Germany. These active assets of the balance of payments led to the accumulation of gold and foreign exchange reserves in the German Bundesbank, as appears from the following table indicating the surplus in West Germany's balance of payments (in million D-marks).

Current Items	1954.	1955.	1956.	1957.	1958.	1959.	1960.
Trade Balance	+2698	+1245	+2897	+4083	+4954	+5361	+5223
Amounts obtained from foreign troops	+1022	+1226	+1757	+2660	+3877	+4121	+4294
Balance of services	+ 256	+ 411	+868	+ 770	— 951	—2305	—1849
Gifts	— 389	— 813	—1105	—1647	—1649	—2636	—2689
Balance of current items	+3587	+2069	+4417	+5866	+6231	+4541	+4979
<i>Account of Capital:</i>							
<i>Long-Term Capital:</i>							
Private	— 264	— 110	+ 130	+ 133	— 526	—1325	+ 420
Public	— 454	— 300	— 686	— 859	—1349	—2434	— 901
<i>Short-Term Capital:</i>							
Private	+ 305	+ 119	+ 894	— 3	— 737	—1204	+2409
Public	+ 38	— 159	— 217	—1711	+ 223	—1170	— 755
Balance of Account of Capital	— 375	— 450	+ 121	—2440	—2389	—6133	+1173
Errors and Omissions	— 430	+ 233	+ 549	+1695	— 654	— 495	+1836
Changes in Official Monetary Reserves	+2782	+1852	+5087	+5121	+3188	—2087	+7988

These figures show that Germany only recorded monetary reserves in one year: in 1959. Otherwise her reserves continued to grow rapidly at a time when the United States were losing

gold and incurring short-term debts abroad, while impaired the value of the dollar and entailed the flight of capital from America. To understand the situation in the world which led to this

important decision in Germany it must be borne in mind that the share of newly produced gold in the growth of the monetary reserves of all countries, except America, is only 30 per cent, while 65 per cent of this growth is due to the losses sustained by the U. S. A. on account of effective transfer of their gold and, to a still greater extent, to their debts incurred abroad. This is best shown by the following facts: While in 1949 the gold reserves of the United States exceeded the amount of their short-term debts abroad by 18.2 milliard dollars, today these reserves are lower than the total amount of such debts. All in all, the balance of payment of the USA, including the balance of capital, has been passive every year since the end of the war, except in 1949, and this has gradually undermined the American financial position. The principal beneficiaries of this development were the industrial countries on the European continent, first of all Germany, its strongest industrial and economic factor, with steady, active assets in her foreign trade and with the paradoxical advantage of gaining a big profit from the troops stationed on her territory under the defence system of the Atlantic Pact. Another fact to be taken into account is that for a long time West Germany had no expenditures for armaments or armed forces. Besides, while the United States had to bear the burden of economic aid to the West, West Germany succeeded in escaping this obligation.

As a result of this development, which weakened the dollar, American capital began to fly from its own country to Europe. This caused a sudden wave of speculation and a steep rise in prices on the gold market in London. At the same time Switzerland became obliged to take measures to check the influx of dollars and other kinds of capital, which were seeking refuge in Swiss currency, since that of their own no longer considered secure. West Germany was brought into a similar situation. The flow of capital into Germany was, undoubtedly, encouraged by her strong internal and external economic position and by the fact that West Germany was a creditor almost everywhere. Another important factor stimulating the flow of foreign capital into West Germany — the influx in 1960 alone is estimated at 5 milliard Marks — was speculation on revaluation. Experience of the period intervening between the two world wars (especially after 1930), as well as of the years following the Second World War, has shown that the flow of short-term capital — the so called hot money — is usually carried by a wave of expectation. What is expected may be devaluation of a country's own currency or revaluation of that of another country, but this wave of expectation, by determining the extent of the flow of capital, usually induces the government of the country whose currency is the object of speculation to yield to the pressure exerted. Other factors influencing decisions on important moves in connection with rates of exchange result from the need to bring

the balance of payments into equilibrium by the elimination of deficit or, in case of revaluation, by the reduction of surplus, as well as from various other elements in internal economic policy. Such elements, along with Germany's wish to contribute to the improvement of debalance in international payments and monetary relations, led to the decision of the Adenauer Government to revalue the German Mark.

II

Indications of a campaign for the revaluation of the mark or, at least, the anticipation that Germany would finally have to resort to this measure, were already recorded in 1954. Then the reasons for revaluation gradually accumulated so that — at last — it became inevitable. When a currency is undergoing a crisis and there is a tendency to convert it into others, the country whose currency is in danger expects help from other countries, at least by a co-ordinated policy of interest rates i. e., by keeping their own rates at the same level as that in the country with endangered currency, or even lower. This co-ordinated policy of interest rates depends on international solidarity, which should be the stronger, the closer the ties of political friendship or even alliance between the countries concerned. These considerations influenced West Germany in pursuing a policy of interest rates to protect American and British interests, a policy which does not permit an exaggerated disparity of the rates of interest to cause an excessive outflow of short-term capital which cannot but undermine the currency of the country from which this capital has fled. As far as the United States and Great Britain are concerned, these considerations are influenced not only by political motives but also by the fact that currencies are involved whose breakdown would lead to unpredictable consequences in the world. Besides, all industrial countries fear any devaluation of the currencies of their competitors since such devaluation may impair their own export interests for many years.

During a protracted period after the war, Germany was a country, with high rates of interest, especially on the market of long term capital. This situation did not change until from 1957 to 1958 when the rate of interest on this market dropped from 8 percent to 5 percent. By this the markets of both short and long term capital were brought into harmony with each other, at least to a certain extent, and the scope of effect of the official rate of interest was widened. To eliminate the disadvantages of an excessive boom and to prevent a rise in prices, the West German Bundesbank pursued a definitely restrictive credit policy until the autumn of 1960, by keeping the rate of interest at the level of 5 percent and by operating through the mechanism of obligatory reserves (such reserves oblige deposit banks to keep a considerable percentage of funds unutilized on deposit in money issuing banks). After November 1960 the German Government and the

Bundesbank found it necessary to make this policy temporarily less restrictive in view of the fact that the high interest rates in Germany were attracting foreign capital, especially American capital, into the country and were causing speculation on the possibility of making a big profit on the revaluation of the mark, which was persistently anticipated by foreign financial circles in spite of the just as persistent denials of the German Government. But on the eve of revaluation responsible economic leaders in Germany were faced with an almost insoluble dilemma: While, on the one hand, the internal development of economic conjuncture required the re-introduction of rigorously restrictive measures to check the excessive boom — measures which included considerably increased official rates of interest — it had become clear on the other hand that high rates of interest would attract foreign capital and thus increase the surplus in the balance of payments. It was also clear that the flow of foreign capital into Germany — apart from the fact that this capital by leaving its own country was undermining its own currency — was liable not only to create liquid funds on the German market which the restrictive credit policy wished to stifle but, by giving a fresh impulse to business prosperity, also to entail such undesirable inflationary corollaries as rise in prices, overemployment and feverish speculation. All this accounts for the fact that the German Government saw a way out of this dilemma in the revaluation of the mark, a measure that had long been insisted upon by Herr Erhard, its Minister for National Economy, contrary to the opinion of Herr Biessing, President of the Bundesbank, and of Chancellor Adenauer himself. The Board of the German Bundesbank had more or less realized that it was necessary to make a certain international correction in the rate of exchange of the mark, but they wished to change this rate within the framework of a multilateral action which would result in a more or less general rise in the price of gold or which would, at least, have the character of an action agreed upon in advance between the principal countries concerned. Perhaps of even greater importance than the resistance of the Bundesbank and the Government circles was the resistance of the powerful and influential leaders of the German export industry, who were opposed to any measure that would weaken their strong positions on the foreign import markets. This resistance explains why the revaluation of the mark was effected at a rate of only 4.76 percent, which is no solution whatsoever and which satisfies no one.

That this is so is revealed by the reaction to this revaluation abroad. First of all it should be stressed that the foreign financial circles were surprised at the low rate of revaluation, since they had expected that it would be 10 to 15 percent. As a matter of fact, this low rate is a comparatively weak corrective. As regards its effect

in Germany herself, it was anticipated that revaluation would entail cheaper imports to prevent, at least temporarily, a rise in domestic prices or that it would at least act as a psychologic brake to check the rise in prices for a certain period, which seems to be necessary to the Adenauer Government in view of the forthcoming elections. The hopes of cheaper imports have been clashed in an important sector, the sector of raw materials; where prices have risen recently. But of far greater importance, not only to Germany herself but to international economic development in general, is the effect of revaluation on German exports and on the German balance of payments. Future development will show whether the rate of revaluation of 5 percent is sufficient to make German exports substantially higher in price, and to reduce German surpluses in order to render those industrial countries whose currencies are most threatened more competitive and thus enable them to improve their balances of payments. As regards prospects in the near future, the German export industry is considered to be working with a profit margin sufficient to allow it to effect cheaper exports, while in the long run it will succeed in regaining its former competitive power by raising the level of productivity and by developing an efficient selling policy. However, when considered as a whole, a revaluation at the given rate is unlikely to influence the German balance of current transactions to a degree that can be felt in the USA and in Great Britain, so that these countries will have to resort to measures of quite a different kind to improve their balances of payments.

Another question is whether this revaluation was a shock strong enough to cause the exporters of short-term capital from the USA and Great Britain to stop exporting capital to Germany and even to withdraw their formerly exported capital. It was believed that a great part of this capital had been brought to Germany to make a big profit on the revaluation there and once the revaluation was effected it would be withdrawn since the owners would be satisfied with their profit on these speculating-transactions. This expectation has not been realised. Capital continues to flow into Germany even after the revaluation there and is even being invested in long-term bonds and shares, thus showing the tendency to remain in Germany. Hence this revaluation can be said to have provoked a shock in the international monetary sphere, but a shock of an unexpected effect. In the opinion of some people, the circumstance that the revaluation of the mark was followed by that of the Dutch gulden has led the world to believe that we are facing a new wave of moves with rates of exchange and thus increased the flight of capital from the countries whose currencies are considered to be in danger.

The conclusion which may be drawn from this analysis is that the problems of German surplus amounts in the balance of payments cannot be

solved by monetary measures and still less by half-measures.

The solution of the problem of Germany's „disactivation“ or in other words, the problem of how to reduce her active assets, requires not only a greater share of Germany in the expenditure on the defence of the Western Alliance, but also greater engagements of Germany for financing economic aid to underdeveloped countries either directly or through international fi-

nancial organizations. The initiative for this was given by the USA, and it came to expression at the session of the Development Assistance Group. The principle was adopted that every country should earmark for this purpose one percent of its own national revenue. But even this rate may prove an insufficient obligation for so dynamic an economy as that of West Germany, a country that should contribute a bigger share than countries with more or less static economies.

COMMENT

A HISTORICAL INJUSTICE

By Aleš BEBLER

THE first war instigated by the forces of the fascist axis on European soil began twenty-five years ago. In collusion with Hitler and Mussolini and with their help, the Spanish fascist generals stirred up a rebellion in the night between July 18 and 19, 1936, against the legitimate Republican Government, formed by the freely elected Parliament. The nation rose in defence of the Republic, but it found itself face to face with the armed forces of the domestic fascists, well supplied and equipped by Nazi Germany and Fascist Italy, and shortly afterwards also with German and Italian military units.

The war in Spain was the war of the fascist axis against the Spanish people. It marked the beginning of the Second World War in Europe.

In the Spanish War fascism conquered. The aggressive forces of the fascist axis vanquished the Spanish Republic thanks to their weapons and their technique. This happened because the Spanish people was left to shift for itself, for the Western Democracies, France, Great Britain, and the United States, did help it. On the contrary, they pursued the policy of so-called „non-interference“ in the Spanish War. Thus, Germany and Italy officially adopted the same policy, but its result was „non-interference“ in one direction. While the Spanish Fascists were copiously supplied with arms and men by Hitler and Mussolini, the Spanish Republic was deprived of any substantial material aid from abroad. The German and Italian Navies even blockaded the shores of the Republican territory. A Soviet ship carrying arms was sunk by an Italian submarine in the Mediterranean.

The face of world democracy was saved by international volunteers, who came to Spain from 57 countries, upon the appeal of the anti-

fascist parties, and formed the famous International Brigades. Thousands and thousands of these fighters sacrificed their lives for the freedom of Spain and the victory over fascism. Among the volunteers in Spain there were some 1,300 Yugoslavs, of whom about 670 are lying buried in Spanish soil.

The International Brigades were the symbol of the international solidarity of the anti-fascist forces of the world at that time. But for a victory over fascism more was needed. It required the unity of all democratic countries. The defeat of democracy in Spain proved this. The lesson, which served all, was paid for with the blood of the Spanish people. They shed streams of blood to make the world realize the danger which was threatening mankind and to make it realize that only a coalition of the World Democracies could save it.

But that happened towards the end of the war? When the world democratic coalition had conquered and the world was liberated from the fascist monster, one nation remained under the boot of fascism — the Spanish nation! The nation that had been the first to rise against fascism, the first to check its hostile advance for two years and a half, was the only one that was left enslaved in Europe. Exhausted and with their life-blood shed, the people had no longer strength enough to wage a new cruel war, and the principal victors had forgotten them.

Some day there will be somebody to relate the whole story of how the Spanish Republican fighters, who withdrew to France towards the end of the Spanish War and fought there with the forces of French resistance against Germany during the whole war, prepared to burst upon Spain to continue the war until the complete

victory of democracy in their Mother country and how and why they were prevented from doing so.

And thus the same men that were brought to power by the fascist axis are in power in Spain today.

The space offered by an article is far too limited even for the briefest summary of the reasons for which the poorly concealed allies of Hitler and Mussolini were left in power by the democratic world coalition at the end of the war. But the question of why it is that these allies of Hitler and Mussolini have been enjoying even the support of the Western Democracies in the post-war period cannot be evaded. This can be explained only by the structure of the cold war, which has distorted everything in the world. One of the results of this distortion is that certain rightful and democratic liberation movements are labeled as the agents of the great rival, and the Spanish crew of the Rome-Berlin fascist axis, the mortal enemy, presented as an ally in the defence of "Western civilization" against the Eastern group of countries.

How long will it be so? How long will the Spanish people, through no fault of their own pay the debts of others?

To us, Yugoslavs, it is clear whose ally the fascist Spanish Government is. We know that, in addition to many German Nazis, Ustasas and other traitorous rabble from Yugoslavia have found shelter there. We know that Ante Pavelić, the executioner of the Croatian people, died in Madrid as a guest honoured by the Government.

To other nations it must also be clear whose ally this Government is. Did the ultra-colonialist French generals, who were virtual fascists, not contrive their plots against the Government of

General de Gaulle in the hotels of Madrid? Is this interference with French and Algerian internal affairs not being continued there today?

Fascism has never been and can never be the defender of civilization of any kind whatsoever, but only its enemy. No fascist government can be a true ally of the Western Democracies.

It can be only the ally of the elements that weaken these countries and undermine them from within, since according to its nature it is a force acting against everything that is honest and progressive even in the so-called western civilization.

The policy which the Western countries are now conducting in the Spanish question is short-sighted and detrimental not only to the Spanish people but to the Western Democracies and the cause of peace.

We, Yugoslavs, were and are still on the side of the Spanish people, on the side of Spanish democracy, and on the side of all sincere Spanish fighters for freedom and democracy. We are for the unity and for the joint struggle of all progressive and democratic Spaniards. We are for the support of the struggle of the Spanish people for liberation, and the victory of democracy in Spain, by all progressive democratic and peace-loving forces throughout the world. We are for redressing, by the solidarity of the progressive and democratic forces of the world with the Spanish people, the historical injustice to which the Spanish people have been subjected.

We are for this because we know that only a democratic Spain can be the ally of other peoples in their struggle for the victory of democratic principles in international relations in the great battle for the victory of lasting peace among all nations.

THE TWELFTH FIPA CONFERENCE IN DUBROVNIK

By Deneš VAJS

THE twelfth conference of FIPA, the International Federation of Agricultural Producers, was held in Dubrovnik. Organizations of farmers from more than thirty countries are members of this international organization and in Yugoslavia it is represented by the Federation of Agricultural Cooperatives of Yugoslavia, which was the host at this conference.

Although FIPA is not an inter-governmental organization (its members are not the representatives of the governments of their countries) it nevertheless enjoys a high international reputation. This is illustrated by the so called A status it enjoys as a consultative body in various UN

organs (ECOSOC, FAO, International Labour Organization, UNICEF, OEEC, etc.).

Most of farmers' organizations that are FIPA members have considerable influence on the agrarian policy of their respective governments. Since agrarian policy is becoming one of the basic determinants of general economic politics it is obvious how important the future political course of this organization will be in connection with the crucial problems of world agriculture.

From this aspect the work of the Conference was interesting.

Of the many problems treated at the conference the following deserve special mention:

FIPA's agricultural policy, the advancement of underdeveloped countries and the methods for utilizing agricultural surplus stocks to aid underdeveloped countries.

The debate on FIPA's agricultural policy confirmed the statement made at the Eleventh FIPA Conference held in New Delhi according to which there are sufficient producing capacities to meet the want of food of the world population, but a co-ordinated international action is necessary to enable the population of chronically famine-stricken areas to obtain sufficient supplies of food. The Conference expressed the view that measures should be taken to enable the underdeveloped countries to increase the export of their products at stable and profitable prices in order to obtain foreign currency for the purchase of necessary commodities, including food-stuffs.

At the same time it was emphasized at the Conference that the bulk of the requirements of the population in underdeveloped regions should be covered by their own increased agricultural production, this however can only be attained by stepping up the general economic development of the underdeveloped countries.

These conclusions are in full agreement with the views expressed by the Yugoslav delegates at the Conference. However there were also different opinions for instance that the increase of agricultural production in underdeveloped countries might cause further deterioration of farm produce on the world market in view of the considerable surplus stocks which cannot be marketed through regular trade channels.

The Yugoslav delegation opposed these views and stressed that in many of the developed countries agricultural surplus stocks are created by the high subsidies granted to the agricultural producers by their governments. The Yugoslav arguments against agrarian subsidizing met with understandable resistance on the part of the representatives of the countries concerned. It must be noted however, that the necessity of increasing the international exchange of agricultural and other products by eliminating artificial barriers was recognized. It was immediately added however that both governments and farmers's organizations must see that income of farmers are kept at an adequate level, and this was the principal argument put forward, by the industrialized countries in order to justify their protectionist policy.

In this connection it should be noted that there is a marked progress in the approach to another question. When the problem of the level of the income of farmers was being discussed, the Yugoslav delegates supported the policy of raising it by increasing productivity in agriculture. What is involved is a wider application of modern agrotechnical methods, bigger investments and larger estates, which means the reduction of the number of agricultural population.

Until quite recently, all this was conception "taboo" in FIPA, an organization representing individual agricultural producers, for these measures were regarded as being directed against small individual producers and against the peasantry as a social group.

However the drop of over 1,000,000 in the last five years, as well as the radical decrease in the number of peasants in West Germany, not to speak of this trend in Yugoslavia, account for the moderation of the former, uncompromising attitudes and for the views put forward at the Conference advocating the adjustment of the size of estates to the requirements of modern methods of cultivation and the employment of a certain number of peasants in other branches of industry.

The need for speeded up economic development in underdeveloped countries was one of the principal issues dealt with at the Conference. In view of the estimates worked out by UNO on the amount of capital necessary to secure an adequate rate of economic growth in underdeveloped regions, it was stressed at the Conference that the funds for this purpose should be primarily secured through multilateral channels within the system of the United Nations. However instead of remaining consistent in this respect by supporting the resolution of the Fifteenth Session of the UN General Assembly on the foundation of a Capital Development Administration — should be set up within UNO's framework, a body which would unite all the so far existing aspects of aid to underdeveloped countries (the technical assistance programme and the special funds). This Administration should include a branch which would take over the activity of the Capital Development Fund.

Although the suggestion to co-ordinate all forms of aid to underdeveloped countries is welcome as constructive in principle, the Yugoslav delegation had certain objections especially in connection with the fact that the talks in UNO concerning the foundation of the Capital Development Fund, are still in course.

It is, however, a favourable indication, that the Conference took a favourable view of the plan of multilateral aid to underdeveloped countries, which Yugoslavia always advocated.

An important item on the agenda of the Conference was the debate on the methods for utilizing food surpluses with a view to promoting the development of the underdeveloped countries.

The Conference examined the proposal submitted by the FAO Secretariat according to which these surpluses should be apportioned under the supervision of FAO, which would enter into bilateral negotiations with the beneficiary countries.

The FIPA Conference rejected this conception and put forward its own proposal calling for the setting-up of an international agency for the distribution of this food within the framework of UNO. This agency would work under the ge-

neral political control of the FAO Council. The direct practical work of this agency would be controlled by a coordinative committee from the representative of both the donor and the recipient countries.

The Conference, while recognizing the importance of bilateral assistance programmes, such as the American PL 480 programme etc., stressed the principle of multilateralism, which is, undoubtedly, a constructive approach to this question.

As the draft of FAO's plan is still in the stage of discussion and may undergo various changes prior to being submitted to the ECOSOC Session in July, it would be premature to pass any definite judgement on it yet. In view of the present version of this plan, it would appear that FIPA's objections are not without foundation. Whatever plan will be adopted, the basic thing to be taken into account is that both the donor and recipient countries should participate equally in the whole of this transaction.

Among the problems concerning co-operatives, the role of co-operative in the furtherance of agriculture, the position of co-operative, the problem of integration in agriculture, and other questions, were discussed. The Conference devoted

special attention to the question of integration in agriculture and of inter-connecting them, and towards integration in agriculture in many Western countries, notably in the United States, is another proof that the course of economic development imposes on these countries as well the necessity of forming stronger economic units in agriculture and of inter-connecting them, and that for the old, clannish methods of production, on small individual peasant holdings, it is becoming increasingly difficult to hold their ground. It is consequently not surprising that the reports of the Yugoslav delegates on the experience of the co-operation between the Yugoslav co-operatives and the socialist estates on the one hand and the individual producers on the other, was found interesting by most of the delegates.

The FIPA Conference held in Yugoslavia offered the representatives of farmers from all parts of the world an opportunity to become better acquainted with Yugoslavia and her economic and social system. Moreover the delegates had the opportunities of visiting various parts of Yugoslavia during the Conference and after it, and to see what has been achieved as well as to obtain first hand information on everything of interest to them.

REALIZATION OF THE CONCEPTION OF AFRICAN WORKERS' UNITY

— Foundation of All-African Trade Union Federation —

By M. MARINOVIC

THE conception of African unity which is in essence due to the immensity of the tasks having been realised because of the absolute need for specific paths in their implementation has asserted itself very soon in the African workers' movement. The aspiration towards unity in the trade union field, however, just as in other fields encountered numerous obstacles and resistance — beginning from a lack of understanding to open hostile actions by the forces whose interest it affected. And these are primarily non-African interests.

The idea of creating an all African trade union federation was first put forward in December 1958, at the Conference of African Nations in Accra. After extensive preparations, it was decided to convene the First All-African Trade Union Congress in Casablanca in the middle of May, 1960. From the very beginning however, the opponents of African unity and emancipation, sought to prevent the realization of this idea. Owing to

intrigues and speculations by non-African elements, primarily certain world and national trade union centers, and a number of objective difficulties, the conference had to be postponed until a more favourable time. At the recent conference in Casablanca, John Tetegah spoke about these difficulties, pointing out that in some African territories the colonial administration was waging an offensive against the trade unions favouring all-African unity while certain foreign missions were actively attempting to corrupt and destroy African trade unions.

Consequently, the mere convening of the First All-African Trade Union Conference in Casablanca at the end of May this year, was a notable success of the African trade movement. For the first time in history, representatives of 42 trade union organizations from 34 African countries gathered together in one place, irrespective of the trends they advocated.

The strength of the conception of African

unity triumphed in spite of all resistance. Even those who had assisted the destructive activity of certain international trade union centrals, particularly the International Confederation of Free Trade Unions, appeared in Casablanca, were unable to ignore the invitation. This significance of this gathering is also illustrated by the fact that this was the first time after the breach in the World Trade Union Federation in 1948 that representatives of all the three world trade union centers and all the other trends in the international trade union movement gathered together. They included the delegation of the Trade Union Confederation of Yugoslavia.

What has Been Revealed by the Conference in Casablanca

The strongest impression an observer could have gained at the meeting in Casablanca, is that the conception of African unity, co-operation and independence had penetrated so deeply the consciousness of African workers that no one dared oppose it openly. Not even those who will later attempt to introduce confusion and discord over other matters, dared speak openly against unity. In the general atmosphere of the conference, such a gesture would have meant one's own isolation and political suicide.

Furthermore, the Conference revealed that in the trade union field, too, there were two, opposed, trends: one African, essentially uncommitted and opposed to blocs, and the other non-African, essentially favouring blocs. Unable to openly oppose the setting up of the All-African Federation, the emissaries of the International Confederation of Free Trade Union, nevertheless, attempted to weaken it, that is, to find some ways and means of reducing the result of the conference to a minimum.

After an unsuccessful attempt to make the conference turn from the right path by denying the right of certain delegations to represent their organizations, an attack was launched against one of the basic theses of the conference: the independence of African trade unions from foreign influence. This struggle which dominated the conference, was also waged over the question of the African trade unions' membership in international trade union organization.

The champions of the African trend insisted that members of the All-African Federation cannot at the same time be loyal, to two opposed conceptions — the African and non-African. They advocated the thesis that there could be no unity among African trade unions if some were affiliated to the trade union center of one of the blocs, and others to that of the other bloc, while others again were not members of either. This would introduce the bloc conflict into the Federation and ultimately lead to its disintegration. The Federation has no need for either the cold war or foreign recipes. The African conception requires independence from any foreign influence and

reliance primarily upon African forces. Yet, it does not also mean isolation from the world and confinement within a narrow African framework. On the contrary, the advocates of this conception favour co-operation with all, but on the basis of full equality and non-interference. They insist on an African path.

This conception was most fervently advocated by representatives of Guinea, Ghana, the U. A. R., Mali, the Trade Unions of the Union of South Africa, the Congress of Trade Unions of Kenya, the Nigerian Trade Union Congress and others — in fact, by the vast majority of the delegates.

Contrary to this, the non-African conception is based on the assumption that Africa is far too backward and weak, that she is threatened by the danger of dictatorship and that, for this reason, she must join the champion of "democracy and freedom" and rely on foreign assistance. The protagonists of this conception call for closer linking with the western trade union centers, justifying their claim by the need for a struggle against the "communist danger". The advocates of this trend, primarily the members of the western trade union centers, put forward pseudo-democratic arguments on the "autonomy" of the trade unions, asserting that unity must not mean domination of the Federation over their organizations which have the right to maintain links whatever organizations they like. The Tunisian delegate, Tlili, Vice President of the International Confederation of Free Trade Unions, attacked these favouring the idea of abandoning membership in the International Confederation of Free Trade Unions, defending the thesis on the de-politization of the trade unions, i. e. their independence from the state and political parties. This thesis was defeated at the conference.

The conference expressed itself unambiguously in favour of the African thesis and trend. Throughout its course, the conference was a severe condemnation of the blocs and their interference in the African workers' movement. The Charter of the All African Trade Union Confederation, adopted at the Conference, laid down the principle of factual and not formal unity, which should be realized in national as well as general African proportions. As provided for by the Charter, trade union organizations, members of the Federation, cannot be members of international trade union centers. Those affiliated to such centers have been requested to renounce membership within ten months.

The meeting in Casablanca also revealed that African workers' organizations are fully aware of the fact that imperialism, colonialism, neo-colonialism, feudalism, the domestic reactionary forces and backwardness are the principal evils against which the trade unions should direct their activity.

With regard to the international policy of the All-African Trade Unions, the Charter proclaims "the workers" position of positive neutrality, non-alignment and independence in relation

to bloc conflicts and international disputes dividing the great powers". "However, — the Charter goes on to say — the All-African Centers will maintain fraternal and equal ties with all the workers in the world. Any spirit of isolation in the field of our struggle would, in fact, be unprogressive and wrong.... The international relations of the All-African Center will be based on free co-operation with workers throughout the world".

The Charter also formulated the tasks of the All-African Trade Unions on the internal plane with special emphasis on the need for action for the liberation of Africa from exploitation, the implementation of the land reform and industrialization.

A fact of great importance for future practical actions of the Federation is that the Conference in Casablanca has shown that Africa is fully capable of coping with the tasks and difficulties confronting her. Africa's maturity in dealing with her problems has been especially manifested in her ability to find acceptable compromises and outline the road for a successful struggle of African trade unions for the freedom, independence and progress of Africa, yet without renouncing her basic principles.

Nevertheless, the united African trade union movement is still confronted with numerous difficulties and problems. It is certain, for

example, that the bloc forces will not renounce their attempts to interfere and influence the development of African Trade Unions. The struggle against these attempts will go on for some time yet. The period of ten months which has been set as the time-limit for abandoning membership of international trade union centers, will be filled with a fierce struggle and efforts of the centers to prevent the realization of the idea of All-African workers' unity.

It should also be pointed out that the conference has not eliminated the controversy between the aspiration for workers' unity and the influence of the workers' movement on the entire life of every country and the whole continent, and for the development of socialist, social relations, on the one side, and the trade union opportunism favouring co-operation with the bourgeoisie and tendencies towards reducing the action of the working class, on the other. There are certain problems of internal African relations (between the big and small, etc.) which non-African elements are trying to take advantage of for introducing the bloc policy on African soil.

These are not problems that can be solved easily and quickly. But, they are not insoluble, particularly if the enthusiasm, realism, flexibility and determination manifested at the First All-African Trade Union Conference in Casablanca are maintained in future actions.

YUGOSLAVIA TODAY

TWENTY YEARS OF FIGHTING FOR INDEPENDENCE, PEACE AND SOCIALISM

THE peoples of Yugoslavia are now celebrating the twentieth anniversary of the historical political decisions passed at the beginning of July 1941, and the first struggles which marked the beginning of the National Liberation War and the Revolution, whose ultimate victory ended in the creation of a new socialist state in the Balkans — the Federative People's Republic of Yugoslavia. It is hard to present in a single article even a perfunctory survey of all the events, even the most important ones, that took place during this stirring and difficult period. What should be stated at once, however is the fact that the consistent and principled foreign policy of Yugoslavia aimed at creating democratic and progressive principles in international relations was essentially formulated at the time when the fascist hordes of Hitler, Mussolini, Hungary and Bulgaria invaded our country, and even before that time.

Accordingly, Yugoslavia's loyalty to the principles

of independence and equality of peoples has its deep roots in those heroic days when through their extraordinary feats and enormous sacrifices in the War and the Revolution, the peoples of Yugoslavia defended their own independence thus making their contribution to the struggle of all peoples against fascist enslavement and exploitation. The peoples of Yugoslavia started the National Liberation War in 1941 with a clearly defined and formulated ideological and political programme in which the momentary and long-term tasks of the War and the Revolution were determined in accordance with Yugoslavia's specific conditions and the condition of international relations. And, as known, these conditions and relations were exceptionally complex and difficult. The Communist Party of Yugoslavia, headed by Tito, was that political and national force which outlined the course and orientation of the War and Revolution of

the Yugoslav peoples, which organized, fought and led the War to ultimate victory.

Even before the war against Yugoslavia began, the Yugoslav peoples had influenced the course of international events through their active resistance and struggle against the policy of subjugation to the Rome — Berlin axis. As early as during the war in Spain, the occupation of Austria and Czechoslovakia, and particularly when the question of Yugoslavia's defence arose, the Communist Party of Yugoslavia had a definite stand: to resist the fascists and defend the country, to join the combat units and to fight against the fifth column, and all tendencies of capitulation and betrayal of the country. The Yugoslav Communist Party adopted this unambiguous position regardless of certain international events and phenomena which in various other countries had introduced confusion among the progressive people and patriots. At that time, there seemed to be no obstacle to the fascist invasion. Europe was almost entirely enslaved. Hitler was preparing for the implementation of his plan — the Barbarossa operation against the USSR, which was to begin on the 15 of May 1941. The German troops were already moving towards the Soviet borders. However, the events which occurred in the meantime, namely those in Yugoslavia, put back the clock for Hitler and his generals. The lively antifascist demonstration in Belgrade especially, directed against Yugoslavia's joining the Rome-Berlin axis, and the shameful prospects opened up by such a policy for the peoples of Yugoslavia, were a bold and brilliant example of the resistance and unconquered spirit of a nation which was ready in the period when practically the whole of Europe was being enslaved, to cry aloud: "War is better than the Pact". It is hardly necessary to emphasise how this revolutionary act of the people of Yugoslavia echoed throughout the world, especially in Berlin. Hitler considered that he could not possibly start out on any new campaign until he had done with this defiant resistance in his rear. He therefore ordered his generals to destroy Yugoslavia, not only from the military point of view, but also as a national entity. The campaign against Yugoslavia, the transferring of troops and material intended for the attack on the USSR, postponed the latter, planned for the 15 of May to a later date, namely June the 22nd 1941.

The army of prewar Yugoslavia did not long resist the fascist onslaught; resistance lasted only for 11 days. Such an outcome was due to the entire development of Yugoslavia, thus far, political, economic and military and of the entire political reactionary regime in that country during the period between the two wars. Prewar Yugoslavia was a country under a dictatorship, suffering under a police regime, ruthlessly exploited by foreign capital, with a low standard of living, with many unsolved questions: national, social, economic and political. In spite of the people's wish to arm and offer resistance to the fascist invader, such a regime was completely incapable of organising a successful defense and so a rapid capitulation was inevitable.

However, from the first day of the occupation, the leaders of the Communist Party of Yugoslavia, headed by Tito, began political, military and organisational preparations to begin a new kind of war, a war of liberation and revolution, as soon as the conditions therefore were ripe. On the 10 of April 1941 the Central Committee of the Communist Party of Yugoslavia formed the Military Committee under the leadership of

comrade Tito with the aim of preparing armed combat against the occupier, and on the 15th of April it appealed to peoples of Yugoslavia to rise in armed combat against the occupier, the final aim being to found an independent, democratic Yugoslavia. On the 22nd of June 1943, when Hitler attacked the USSR the Central Committee of The Communist Party of Yugoslavia issued a proclamation calling upon the peoples of Yugoslavia to rise in arms against the occupier. On the 27 of June the Supreme headquarters of the National Liberation and Partisan Detachments of Yugoslavia was formed. A few days later, on the historic date — the 4 of July — the Politbureau of the CC of the CPY passed a decision to begin the uprising. The uprising began immediately and in a short time spread in various forms and degrees all over the country, so that in 1941 it already had a general national character.

The whole of Europe was occupied. The rear of Hitler's armies was quiet during the first weeks and months of the war. The Soviet armies were withdrawing towards Leningrad, Moscow and other points. The main front was thousands of miles away from Yugoslavia. This was the time when, in spite of all the difficulties, the fighting all over Yugoslavia gained steadily in scope and strength, while the partisan detachments began to take on the qualities of an army inflicting hard blows on the enemy. Towards the end of the fateful year 1943, the National Liberation Army had 27 divisions, 8 independent brigades, 13 independent battalions and 108 partisan detachments with a total of about 300,000 men. At that time the National Liberation Army engaged 24 German divisions, 8 Bulgarian and 3 Hungarian ones with a total of 450,000 men and 150,000 Quisling soldiers. The National Liberation Army had under its control the greater part of the country, and the National Liberation Front with the CPY was the only political power in the land.

At the same time parallel with the development of military actions and operations, political bodies were formed, while already at the beginning of the uprising, new forms of people's authority, of a popular character were organized on liberated territory and elsewhere. In 1942 the general party and political body "the Anti-Fascist Council of the National Liberation of Yugoslavia" (AVNOJ) was formed, and on the 29 of November 1943 this body became the supreme legislative organ, in fact the government of Yugoslavia. At the historical second session of AVNOJ the creation of the new state based on democratic and federal principles was proclaimed, the refugee government in London was deprived of its rights as a legitimate government, and the king was forbidden to return to the country.

In their struggle, the peoples of Yugoslavia met with various obstacles, difficulties and misunderstanding on the part of their allies, even on the part of those in whom this should have been the least expected. Many new successes of a political character and otherwise were necessary in order to prove the justification of the trend of our struggle under the existing conditions in our country. Yugoslavia's contribution within the framework of the entire strategy of the antihitlerite coalition, was of extraordinary importance not only because it engaged the enemy forces, but also because it hindered and prevented the transports to the fronts in Africa and in the East, of all kinds of material from Germany and other enemy countries. As a part of the great antifascist coalition the peoples of Yugoslavia honestly gave all they had to give in the struggle against the axis powers. The

struggle of the peoples of Yugoslavia, their contribution to the general cause under such difficult conditions aroused admiration all over the world.

As a result of the victorious outcome of the war and the revolution, a socialist regime was established in Yugoslavia, in keeping with the specific conditions reigning in the country. It became possible for Yugoslavia, as an independent socialist country to have its own internal and foreign policy, and for the first time in history Yugoslavia appeared on the international scene, not as a play-thing and an object of foreign political interest, but as a factor deciding its own fate, and as a member of the international community, actively contributing towards the solution of existing international problems. Yugoslavia took part in the foundation conference of the United Nations in San Francisco, so that from the very beginning she played an active part in the work of this Organization.

On the one hand, the entire postwar period of Yugoslavia's struggle and activity in foreign policy was directed towards preserving the independence of the country, while on the other, towards strengthening peaceful cooperation among nations. From the first days Yugoslavia endeavoured to establish good relations with all countries, especially with her allies, however she met with misunderstanding on many sides. While the war was still in progress, there were various difficulties due to the aspirations of the great powers to interfere in Yugoslavia's internal affairs. In October 1944 there was the agreement between Stalin and Churchill dividing the spheres of interest in the Balkans, including Yugoslavia, in a ratio of 50:50. During the first postwar years Yugoslavia had to stand up against strong pressure on the part of the great Western powers which at various times attacked her interests, and in 1948 there was the well known conflict with the USSR and Eastern European Countries, and Stalin's attempt to prevent Yugoslavia from following her own independent course and socialist development.

In all such situations, especially during the concentrated Cominform aggressive pressure, the people of Yugoslavia and their leaders were united in defending their sovereign rights, independence and independent internal development, fighting persistently for the victory of the principle of equality of large and small countries, and for international relations in which force and hegemonistic tendencies would give way to a peaceful solution of conflicts and constructive cooperation. The world public followed Yugoslavia's efforts with great understanding and interest, and realized that in this way a small country was defending the rights of all to liberty and a peaceful life and independence.

An important chapter in Yugoslavia's foreign policy is her firm link with non-aligned countries and her growing cooperation, theoretical, political and practical in peaceful and active coexistence. President Tito, one of the most active and untiring fighters for the application of peaceful coexistence in international relations, formulated the essence of this policy in the following words:

"Coexistence must be understood not as a vegetation of peoples and nations, but as international relations along completely new and modern principles, which enable the most lively, peaceful activity among states with different social systems. The precondition for such coexistence is that all differences must be solved peacefully, and that force and war must be things outside the law. This does not mean a tem-

porary lull, or a manoeuvre to outwit the other side during such a period. This means lasting norms and principles which in the existing epoch must dominate in international relations. Coexistence excludes interference in the internal affairs of other countries. The principles of coexistence must not be confused with the internal development of individual countries, with social changes, with the development of society and class relations. It is the affair of the people of individual countries to determine the methods and roads of development of the internal social system in their countries and it is the strict application of the principle of coexistence between nations and states and non-interference in other countries' internal affairs that will enable a peaceful and painless process of social changes in individual countries".

The visits of President Tito to the countries of Asia and Africa in 1954, in 1958-1959 and in 1961, and the endeavours to develop relations with the countries of Latin America, were not only aimed at advancing mutual understanding and bilateral relations but also at examining the roads, methods, possibilities and means whereby the non-aligned countries, which constitute a large part of mankind, could influence the course of developments to a greater extent. Thanks to Yugoslavia's activity in this field and in this spirit, the policy of non-alignment, which is essentially a policy of eliminating the bloc division, of powers and all other barriers dividing the present-day world and creating conflicts and crises, is becoming an increasingly important factor in international relations. The Belgrade conference of non-aligned countries will represent the climax of all these efforts at a very important moment when the inter-

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Published by the Federation of Yugoslav Journalists fortnightly in six languages:

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SUBSCRIPTION RATES:

Annually US\$ 3.40
Semiannually US\$ 2.00
Per copy 20 Cents
(payable in national currency)

Circulation Department
and Editorial Offices:

"Review of International Affairs"
G. Jovanova 16/III
P. O. Box 413
Belgrade, Yugoslavia

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national situation is showing a number of new, alarming tendencies.

Yugoslavia has always been willing to establish good relations, on a basis of equality, with all countries irrespective of whether a country is within or outside one of the blocs. She will continue, in the future as well, to establish, develop and strengthen her relations with other countries regardless of any differences, whatsoever, that may exist between them. Through her struggle for the defence of her freedom and independence during and after the war, through her stable internal development and the development

of the system of socialist democracy, in which the system of worker's self-management and social self-government represents a historical achievement, Yugoslavia has gained a high reputation and esteem in the world and has assumed a place in international relations which transcends by far her size and material strength. Today, just as during the past twenty years, Yugoslavia supports all tendencies and forces fighting for the independence and full equality of peoples for the liquidation of even the least remnants of colonialism, for world peace and general human progress.

ESSENCE AND MATERIAL BASIS OF WORKERS' SELF-MANAGEMENT

By Toša TIŠMA

WORKERS' self-management in Yugoslavia means that the members of the working collectives, themselves, have at their disposal substantial social means either directly, as in the smaller enterprises and shops, or through their representatives elected by secret ballot, that is, through the Workers' Council, as in the larger economic organizations. The means at the disposal of the working collectives are all social means in the economy intended for production and the goods and service turn-over.

The amount of the means at the disposal of the working collectives can be seen from a recapitulation of the final accounts of economic organizations for 1959. At the end of 1959, the value of the capital goods of economic organizations amounted to 4,023 milliard dinars. Apart from this, the capital goods' money reserves (for the most part formed on the basis of amortization funds) totalled 249 milliard dinars. At the same time, the operative funds of economic organizations amounted to 2,063 milliard dinars. In addition to this, economic organizations had at their disposal various public amenity projects (apartment houses, holiday hostels, factory restaurants, etc. to the value of 232 milliard dinars and money reserves totalling 15 milliard dinars in banking accounts which the bodies of management were free to use for similar purposes.

Essence of the Right of Self-Management in the Enterprise

As provided for by the positive regulations in Yugoslavia, economic organizations, by themselves can engage in economic activity, but only after they have been constituted, i. e., after the body of workers' self-management — the workers' council has been elected. The Workers' Council chooses the Managing Board from among its

members. In the course of its development, the economic organization is managed by a Director who is appointed by the founder (this is usually the People's Committee), but during this period the organization does not engage in regular production, that is, in its economic activity. According to the existing regulations, regular performing of economic activity by an economic organization before it has been constituted is prohibited and involves the payment of fines by both the economic organization and the persons responsible for such a breach. Apart from this, the entire amount of the material profit acquired through economic activity before the organization has been constituted, is confiscated. In this way, it has been ensured in practice that there is no economic activity or economic organization without a previously formed body of workers' self-management.

The rights of a Workers' Council are chiefly as follows:

- 1) The Workers' Council passes the regulations of the enterprise which, basically, settle all internal relations in the enterprise. Apart from this, the Workers' Council passes regulations on working relations, the distribution of the net income and personal incomes, bonuses, rewards, health and industrial protection, etc.

Among the techniques applied in the passing of these regulations, the most elaborate is that used in adopting the regulation on the distribution of personal incomes. The draft regulation is drawn up by the Managing Board or a Commission appointed by the People's Committee. It is posted in public so that it can be studied by all the members of the working collectivity in the economic organization at least 15 days before it is put before the workers' council at one of its meetings. Every workers and office employee

has the right to make any objection to the draft and the Workers' Council is obliged to consider all such remarks and to take its own stand. If this procedure is not respected, the regulation is annulled by the Municipal People's Committee.

2) The Workers' Council passes the basic annual plans of the enterprise independently — on the basis of a study of the current requirements and the contracts signed providing for the purchase of raw materials and the sale of its finished products or extension of services. In the course of the year, the Workers' Council discusses the implementation of the plan and passes corresponding conclusions with the aim of carrying out the plan according to or ahead of schedule. The decisions of the Workers' Council are compulsory for all the organs in the economic organization. If the decisions of the Workers' Council are not in accordance with the positive regulations, the Director (who is responsible for adherence to the regulations) is authorized to suspend the implementation of such decisions, but he must immediately report the matter to the Municipal People's Committee which is obliged to pass its decision within 10 days (this seldom happens in practice).

3) With the aim of ensuring a correct and economical functioning of the enterprises, the Workers' Council is obliged to determine in advance the limits of certain expenditures, as for example: the costs of the maintenance of capital goods, the costs of expanded production, the expenditures for representation, advertizing and popularization, business trips — especially those abroad, etc. Within the set restrictions, the Managing Board or the Director of the enterprise can order certain current payments of the given expenses.

4) At the end of the business year, the Workers' Council approves the final account of the economic organization and distributes the net income (the amount left over after the taxes and compulsory contributions have been paid) between the personal incomes of the workers and office employees and the funds of the economic organization. The Workers' Council is sovereign in its right to dispose freely with the larger portion of the income, which is the result of the work of the collectivity except for a certain amount, insignificant in comparison to the net income, which it must set aside for the reserve fund. While the annual inventory is being drawn up, the Workers' Council is obliged to pass decisions on the established surpluses and deficits, and it is authorized to decide whether the established deficits will be covered by the responsible people or written off as extra expenditures.

The Workers' Council alone is competent to dispose with the funds of the enterprise. This right is reduced to the purchase and sale of capital goods, transference of capital goods free of charge to or from another party, leasing or renting, etc. Furthermore, the Workers' Council, alone, has the right to dispose with the means

for joint consumption which can be used for building public amenity projects, for technical training of workers and office employees, etc. The money needed for covering these requirements can be paid out on behalf of regular expenditures. In connection with this, the Workers' Council approves the plans for capital construction, discusses the contracts on the implementation of these plans, etc.

The Workers' Council decides on the granting of independence to individual departments within the economic organization. This means that these departments have the right to form their own bodies of self-management, to appear on the market on their own, and to settle and pay independently their contributions for the needs of the social community, although the final annual account is drawn up by the economic organization as a whole, and the organization is obliged to previously cover any possible losses of the independent departments. Besides this, the Workers' Council decides on the merging or complete separation of individual departments and their establishment as independent enterprise, but these decisions must be approved by the Municipal People's Committee.

Distribution of the Economic Organization's Income

The economic organizations is obliged to use the incomes achieved through its activity primarily for covering its working expenses and paying its commitments towards the community. The remainder — the net income — as we have already said, is distributed by the Workers' Council through its final account. In order to illustrate the amount of the means which were actually at the disposal of the bodies of workers' self-management, we shall quote the statistics for 1959. The total income achieved by all the economic organizations, according to the final accounts, amounted to 6,848 billion dinars. After deducting the working expenses (except amortization), the economic organizations paid the social community 671 billion dinars in the form of various taxes and compulsory contributions, while they distributed independently 901 milliard dinars. Apart from this, the economic organizations also freely disposed with most of the amount of amortization, that is, with 153 billion dinars, for which funds there is a restriction to the effect that they cannot be used for personal incomes and public amenity projects. Accordingly, the economic organizations, themselves, had at their disposal a sum of 1,054 milliard dinars. Out of this sum, the bodies of workers' self-management distributed 698 milliard dinars among the workers and office employees on behalf of their personal incomes; they invested 31 billion dinars in their reserve funds and set aside the remainder for their basic and operative funds or means for joint consumption. We cannot quote here the data on the final distribution of those means, since not even the statistics of the final accounts

could have included them. This is because the bodies of self-management by approving the final account must distribute their means only between the personal incomes of the workers and office employees, the reserve fund and their other funds. The Workers' Council is not required to distribute the means set aside for its funds immediately, but it can do this later in accordance with the needs of the economic organization and until such a need arises these means are classified as "undistributed means".¹ As shown by their provisional accounts, in 1960 the economic organizations paid a sum of 907 milliard dinars on behalf of the personal incomes of their workers and office employees and set aside 204 billion dinars for their funds besides a sum of 183 billion dinars earned through amortisation. It should be added that beginning from 1961, the economic organizations can use for business purposes the entire amount earned through amortization, while in previous years a minor portion was blocked (up to 15% on an average).

Distribution of Personal Incomes in the Economic Organization

The evolution of the system of distribution of personal incomes of workers and office employees in economic organizations clearly illustrates the expansion of the rights of workers' self-management. In this previous administrative system of management of economy, the salaries of workers and office employees in economic organizations were determined in the same manner as those of public (civil servants) office employees, that is, according to their professional qualifications and length of service. Only employees occupying top positions were classified according to their positions, although within the limits of a rigid system of definite vocations. After the introduction of the system of self-management in the economic organizations, the total amount of the salary fund was initially determined according to the fixed average salaries, and this served, at the same time, as one of the elements for settling the commitments of the economic organization towards the social community. In the economic organization, itself, for each working post a salary was fixed within the framework determined by regulations. The amount of the salary had to be previously approved by the body of the People's Committee competent for affairs of working relations and the trade union branch. If they failed to realise a sufficient income, workers and office employees were entitled to 80% of the fixed salaries contributed from the funds of the Municipal People's Committee. However, if an economic organization achieved a higher income, it was free to pay even more than the 12 monthly

salaries determined by the wages scale out of the left over after it had covered its commitments towards the social community (taxes and other compulsory contributions). If an economic organization, while distributing the net income, had neglected to augment its funds by paying large amounts on behalf of personal incomes, it could only suffer socio-political criticism, but it was not possible, and not even today to annul such a decision of the Workers' Council by any legal means.

The present regulations no longer provide for any restrictions in determining the amount of the personal incomes of workers and office employees, either in respect of qualifications or any determined averages. With regard to the distribution of the net income for the personal incomes of workers and office employees and the funds of the economic organization, there are no restriction either except for the general provision that the economic organization is obliged, when determining its criteria for the distribution of personal incomes, to act with the consideration of a good economist.

Expansion of Workers' Self-Management

From the very beginning, workers, self-management in Yugoslavia has constituted direct management of both the means of production and a considerable part of the surplus work achieved in an economic organization. The bodies of workers' self-management were never, not even in the first stage of their development, a kind of advisory bodies, nor did they ever, at any stage, confine their activity to just a few questions (the tariff policy, working relations, protection at work, etc.). They never "shared" their right to manage and distribute with any other body, whatsoever. Certain legal restrictions with regard to the amount of personal incomes after being increasingly liberalized have now been abolished altogether. Workers' self-management in Yugoslav practice is being steadily expanded to new fields for two basic reasons. The first is — the expansion of the democratic rights of the working people by letting them manage the social means with which they work and dispose with a definite part of the achieved accumulation in an increasing number of spheres; the other is — that in this way are increasingly encouraged, on the basis of their personal interest, to introduce greater economy in the functioning of their enterprise. Thus in the course of the past ten years, the right to self-management has asserted itself not only in organizations whose economic character is unquestionable, but also in other activities which have certain attributes of public services, such as for example: the postal service, railways, town traffic and other public services. At the present moment, Yugoslav sea, river and air ports are adopting the methods of work of economic organizations with complete workers' self-management. The specific qualities of these

¹ Statistics on the expenditure of these means show that the economic organizations distribute about 80% of the total among their operative funds, while the remaining 20% are set aside for means for joint consumption.

activities are mainly expressed in the more favourable position of these economic organizations with regard to the commitments toward the social community.

The expansion of the right to dispose with the means which are the result of the work of the economic organizations is also reflected in the increasing amount of the means set aside for the funds of economic organizations.

If we observe the money reserves of the economic organizations with which the bodies of workers' self-management can freely dispose (that is, without the reserve fund which has a strictly determined purpose), we shall see that the material basis of the right of the bodies of workers' self-management to dispose with part of the accumulation which is the result of their work, is steadily expanding both in the absolute and relative respect.

For the sake of illustration, we shall quote the following statistics on the ratio between the Yugoslav national income (including private producers — agricultural holdings, craftsmen and free professions) and the funds of economic organizations:

Year	National Income	Economic organizations' funds	Paid amortization
1952	853	4	84
1953	1,023	34	104
1954	1,162	45	138
1955	1,398	48	148
1956	1,444	61	175
1957	1,829	71	180
1958	1,834	100	136*
1959	2,268	122	138
1960	2,590	175	166*

Responsibility of the Bodies of Self-Management

As a reflection of the independence of economic organizations and the right of self-management in the Yugoslav legal system, the principle of the collective responsibility of an eco-

nomic organization which does not adhere to the positive regulations in its work, has been introduced. So called economic breaches are only liable to fines which the economic organization pays from amount of the net income intended for personal incomes.

For most economic breaches, the responsible persons in the enterprise (the Director, the head of the accounting department and other senior officials directly responsible for the acts committed are also fined. Members of the Workers' Council and Managing Board are not asked to account for the decisions they have passed in the capacity of members of these bodies. An exception is envisaged only in the event of proceedings being taken against an economic organization for its forcible liquidation because it is unable to meet its commitments. If, during the proceedings, the responsibility of the bodies of self-management is established by a decision of the court, members of the Workers' Council and Managing Board cannot perform these functions in the course of the following two years. In view of the fact these proceedings last a long time and that it is difficult to prove collective responsibility this sanction is rarely applied. In this way, it may well be said that the responsibility of the members of the bodies of workers' self-management is of an exclusive socio-political nature.

¹ Statistics on the expenditure of these means show that the economic organizations distribute about 80% of the total among their operative funds, while the remaining 20% are set aside for means for joint consumption.

* Until 1957, the expenses of the maintenance of capital goods were covered from the amortization fund, and since then, they have been covered from the working expenses fund. Since 1957, the amortization rates have also been lowered, and consequently the total amount of amortization has been reduced. The amounts of amortization in 1959 and 1960 are given here in amounts lower than those given for the earlier years because they have been reduced by the amount of the annual rates paid for investment loans. All the statistics in this survey are expressed in billion dinars.

DOCUMENTS

COMMUNIQUE ON TITO—SUKARNO—KEITA TALKS

Following the talks between President Tito of Yugoslavia, President Sukarno of Indonesia, and President Keita of Mali a joint communiqué was signed in Belgrade on June 17, 1961. The communiqué reads:

"The President of the Federal People's Republic of Yugoslavia, Josip Broz Tito, the President of the

Republic of Indonesia, Ahmed Sukarno, and the President of the Republic of Mali, Modibo Keita, held a joint meeting in Belgrade on June 17, 1961 and exchanged, in an atmosphere of friendship and full mutual understanding, views on the international situation and on current international problems.

"The three Presidents agreed that international relations are characterized by the existence and the

accumulation of unsolved acute international problems, which are a constant danger to peace and security in the world. This situation implies, first of all, the tendency to solve international problems by resorting to the policy of force, and attempts to check the historical process of the development of mankind towards complete equality and unhampered social and economic progress of all nations.

"In this connection the Presidents observed with satisfaction that the preliminary meeting in Cairo of the representatives of uncommitted countries has led to an agreement in respect of the problems concerning the holding of the Conference on September 1, 1961 and rightly emphasized this question as of vital importance for the establishment of peace and security.

"The three Presidents are convinced that the Conference, whose aim is peace, security and progress in the world, will, no doubt be able to declare forcefully and unanimously against all forms and manifestations of colonialism and imperialism, against any attempt to interfere with the internal affairs of a country and against the continuation of any form of racial discrimination, and that it will forge an actual unity of methods and objectives to expunge and liquidate these evils. The three Presidents expressed the view that the general acceptance of the principle of the right of all nations and states to self-determination, sovereignty and integrity will constitute the basis for the development of more harmonious international relations. The Presidents are convinced that the Conference of the Heads of the uncommitted countries will be a new contribution to the settlement of the mentioned problems and to peaceful development of international relations. They believe that this Conference will be an important event in their co-operation, which has always been aimed at exerting constructive influence on the furtherance of world peace and freedom and unhampered progress of all nations.

"The Presidents expressed their firm conviction that the Conference will contribute to the implementation of the principle of active co-existence and of the principles of the United Nations Charter. They believe that the Conference will render it possible

to the uncommitted countries to strengthen their constructive role in this regard, both within and outside the United Nations Organization and to contribute that this international body may act in greater conformity with its own principles and aims and with the progressive and dynamic changes in the world.

"The Presidents welcome the recent efforts made to ease international tension as well as the various forms of negotiation aimed at improving the international situation. They welcomed the recent meeting between President Kennedy and Premier Khrushchev, the leaders of two countries that bear great responsibility for the solution of vital problems and for the preservation of world peace. The three Presidents fully support the cause of the Algerian people who have been conducting a heroic battle for their independence for seven years now. The Presidents welcomed the negotiations at Evian in the hope that they will lead to agreement to secure Algeria's national independence and full territorial integrity. They understood in this sense the reiterated declarations of the French representatives on the right of the Algerian people to self-determination they expected the negotiations to develop in this direction.

"The three Presidents observed with deep concern that the continuation of the talks, which have not yet led to results, is now being called into question. The Presidents are hopeful that the French Government will secure without delay the continuation of the talks with a view to reaching an agreement which will satisfy the legitimate rights of the Algerian people.

"The three Presidents reviewed the situation of the Congo, which is alarming. They confirmed their full support to the legitimate government in Stanleyville. They expressed their deep conviction that the true solution of the crisis in the Congo can be attained only in co-operation with the legitimate government of the Congo and through the convocation of Parliament, for whose unhampered work and security the measures proposed by the Gizenga Government should be undertaken as soon as possible."

COMMUNIQUE ON TITO-SUKARNO TALKS

A communiqué following the visit of President Sukarno to Yugoslavia was issued in Belgrade on June 17, 1961. The communiqué reads:

"In response to the invitation of the President of the Federal People's Republic of Yugoslavia, Josip Broz Tito, President Sukarno of Indonesia paid a friendly visit to Yugoslavia from June 15 to 17, 1961.

"President Sukarno was accompanied by Dr. Leimena, Deputy of the First Minister of the Government, General A. H. Nasution, Minister for National Security, Colonel Puspojudjo, Vice President of the National Congress, A. Erningpradja, Minister for Labour, General Suharto, Minister for National Industry, Lieutenant-Colonel Mursalin Mamangun, Vice President of Parliament, Dr. Mohamad Ihsan, Minister-State Secretary, and other high functionaries.

"During this visit, President Tito and President Sukarno exchanged views on current international

questions of mutual interest. In this context they noted with satisfaction the fact that the idea of a conference of the leaders of the uncommitted countries had met with wide response and is now successfully coming nearer to its realization. They reaffirmed their deep conviction that this conference will greatly contribute to the improvement of the world situation.

"The two Presidents noted with particular satisfaction the steady development of friendly co-operation in all fields of mutual relations and they agreed to further enlargement of this co-operation. They stressed their wish to widen economic relations for which there exist favourable conditions. With this end in view, a Yugoslav economic delegation will pay a visit to Indonesia this year.

"During President Sukarno's visit to Yugoslavia, agreements were signed between the Government of the Federal People's Republic of Yugoslavia and

the Government of the Republic of Indonesia on joint technical co-operation between the armed forces of the two countries, and an agreement between these two governments on the crediting of deliveries for the Indonesian armed forces, as well as protocol in connection with the mentioned agreements.

"In the name of the Federal People's Republic of

Yugoslavia the agreements were signed by Army-General Ivan Gošnjak, State Secretary for National Defense, and in the name of the Government of the Republic of Indonesia by General Abdul Haris Nasution, Minister for National Security.

The agreements were signed in the presence of President Tito of Yugoslavia and President Sukarno of Indonesia."

COMMUNIQUE ON PRESIDENTS TITO AND KEITA TALKS

A joint communiqué on the visit of Modibo Keita, President of the Republic of Mali, to Yugoslavia was published on Brioni on June 22. The communiqué reads as follows:

"At the invitation of Josip Broz Tito, President of the Federative People's Republic of Yugoslavia, Modibo Keita, President of the Republic of Mali, and his wife paid a state visit to Yugoslavia from June 17 to 23, 1961.

"During the visits to various industrial and agricultural enterprises, the President of the Republic of Mali and his collaborators highly assessed the progress made by Yugoslavia in industrialization and agriculture.

"The two presidents took this opportunity for a comprehensive exchange of views on many questions of common interest.

"President Tito and President Keita discussed, in a comprehensive manner, relations between the two countries and the opportunities for the development of co-operation between Yugoslavia and Mali in politics, economy, culture and other fields.

"The Yugoslav Government has offered Yugoslavia's participation in implementing the Five Year Plan of Mali and to this end it has opened a loan which will be renewed and which is specially intended for financing certain projects envisaged in the Plan.

"The delegation of Mali accepted the offer and it was agreed that an agreement on the matter be subsequently signed by representatives of the two Governments. In connection with this, groups of Yugoslav experts will shortly be leaving for Bamako.

"In the field of scientific-technical co-operation, the Yugoslav Government has expressed its readiness to assist the Government of the Mali Republic in highly trained personnel in industry agriculture, mining, education and other fields when the need for such personnel arises in the Mali Republic. At the same time, Yugoslavia will receive students from Mali for schooling and specialized training in various branches.

"The two Presidents also discussed the question of trade and they arrived at the conclusion that the existing agreements constitute a basis for a successful development of trade and its further advancement.

"During the visit, talks were also held on questions relating to the work of the youth organization, the trade-unions, the co-operative movements and socio-political organizations in general. These talks proved to be a very useful form of mutual understanding and exchange of experience. On the basis of this, the two parties agreed on future contacts and exchange of experience in these fields.

"Continuing the talks on international problems held in Belgrade on June 17, 1961, with President Sukarno of Indonesia, the two Presidents again confirmed the positions and views on the pending conference of uncommitted countries which they set out in the Tripartite Declaration published in Belgrade on June 17, 1961.

"They also resumed the exchange of views on unsettled current world problems and especially the unsolved questions of Africa.

"Analysing developments in Africa, the two Heads of State welcomed the extensive and accelerated process of the liquidation of colonialism which has enabled many African countries to gain their freedom and independence.

"Through their confirmed ability to exercise their sovereign rights and through their activity in the international field, these countries have given proof of their political maturity and ability to decide, by themselves, on their own fate. In this way, these countries have become an appreciated factor of peace and progress in the world.

"The two Presidents consider that this is yet another reason for exerting all the necessary efforts in order to end all forms of colonial domination.

"Any attempt to delay a solution of this question with the aim of prolonging the life of colonialism under any pretext and in any form, whatsoever, in or outside Africa, represents an obstacle to the historical process of the inevitable transformation of the present world and at the same time constitutes a threat to peace.

"Discussing the Algerian problem, the two Presidents concluded, this time again that the negotiations should be renewed with the aim of achieving the independence and territorial integrity of Algeria. The two Presidents also expressed their determination to support the Algerian Provisional Government in its legitimate demands formulated in the course of the negotiations at Evian, in the future too.

"The two Presidents reviewed the situation in the Congo and decided to intensify their support to the lawful Government of the country headed by A. Gizenga.

"Considering the problem of Angola, they agreed to strengthen their support to the people of Angola in their struggle for justice, freedom and national security. They called the attention of the world to the need for acting for the complete victory of the just cause of the people of Angola.

"The two Presidents condemned the policy of apartheid pursued by the Government of the Union of South Africa and appealed to all the countries of the world to help put an end to the disgraceful racial discrimination in that part of Africa.

"President Tito and President Keita expressed satisfaction with the result of their meetings in Bamako and in Yugoslavia which took place in an atmosphere of friendship and international understanding.

"They agreed to resume their contacts and especially to continue the practice of exchanges of opinions and consultations at all levels and on all questions of common interest to Yugoslavia and Mali so as to be able to co-ordinate their efforts.

"The two Heads of State established with great satisfaction that their countries' international policy, based on positive neutrality, had proved correct in every respect. On the strength of this, they confirm the conviction that their countries must persevere along this road with the aim of achieving genuine coexistence among the peoples of the world."

Points from the Press Conferences

On June 16 and 23, Drago Kunc, spokesman of the Yugoslav State Secretariat for Foreign Affairs, held press conferences for Yugoslav and foreign journalists and answered questions on current world problems.

June 16

Negotiations on Algeria. — "We have always stressed that negotiations on an equal footing are the best way for the settlement of the Algerian question in mutual interest and on the basis of the fulfilment of the Algerian peoples' rightful demand for freedom, independence and territorial integrity."

Peace Treaty — When asked how he assessed the fact that at a meeting of supporters of revanche, held a few days ago, Chancellor Adenauer rejected the proposals of Walter Ulbricht, President of the State Council of the German Democratic Republic, in connection with an agreement with the Bonn Government regarding the question of a peace treaty and the re-uniting of Germany, the spokesman of the Yugoslav Foreign Secretariat said: "The holding of revanche meetings attended by members of the Bonn Government has unfortunately become a regular practice in the Federal Republic of Germany. This raises fresh doubts and suspicions in regard of the pacific policy to which the Bonn Government has committed itself. In other respects, we have always considered that negotiations and efforts aimed at furthering mutual understanding between the two German states are desirable."

Armament in the Federal Republic of Germany. — "We may recall that Yugoslavia has repeatedly pointed out — as, for instance in connection with the General Staff of the Federal Republic of Germany's demand for atomic armament — the danger of the revival of German militarism."

Soviet Memorandum on Berlin. — "In our opinion, the memorandum of the Soviet Government deserves attention. We consider that every proposal inspired by the wish to reach a constructive solution of the German problem, including the Berlin question, should be examined with attention and due realism, all the more so as the present situation is anachronic and outmoded by the development since the end of the war. The unsettled German question is a threat to peace in Europe and only a solution reached in concert — even if only a partial solution — would mean the alleviation of the situation in Europe and on a world-wide scale."

Conference of leaders of the uncommitted countries. — When asked what he can say about the statement made by R. K. Nehru, head of the Indian delegation at the preliminary meeting in Cairo, who — according to the reports in the press — expressed the hope that the summit conference could achieve great success but, allegedly, added that "India has not yet undertaken to attend the conference of the Heads of the uncommitted countries?" but is only not opposed to such a conference, Drago Kunc said: "As regards the first part of the question on the statement of the Head of the Indian Delegation, we are unable to give a reply on the basis of newspaper reports, but I refer you to the statement published after the preliminary meeting in Cairo in which the unanimous agreement of the participants on the convening of such a conference is stressed. We consider it as presumable that the countries that attended the preliminary meeting will come automatically to the conference of the leaders of the uncommitted countries, along with some others. Anyhow this is now under consideration in the Committee of Ambassadors, which is expected to send invitations to the interested countries very soon."

Definition of non-alignment. — "The preliminary meeting in Cairo laid down five principles on whose basis the invitations for the participation in the Conference of the Heads of State and Government Leaders of the uncommitted countries will be sent. As far as we are concerned, these principles are clearly defined, and the Committee of Ambassadors for the sending of corresponding invitations is working on the basis of these principles now."

The Congo. — "Yugoslavia gives full support for the initiative of Premier Gizenga, Leader of the legitimate Congolese Government, to convoke the Congolese Parliament on neutral soil and under the protection of the forces of the United Nations. We support this demand in all, for it is in conformity with the demands from all the resolutions, adopted on the question of the Congo by the Security Council and the General Assembly."

Misinterpretation of comments in "Nova Makedonija." — Some Soviet newspapers, as well as certain circles in Greece, have misinterpreted the report in "Nova Makedonija," a journal published in Skopje, on the moving of the Macedonian refugees from Greece, who had been resident in Poland for a long time. According to the information of the Skopje daily, these refugees are being sent to Bulgaria. When asked to comment on this, the spokesman of the Foreign Secretariat said: " 'Nova Makedonija' commented on a current question which is of certain political interest. But the comments and statements of the article of 'Nova Makedonija' giving it, according to their own will and from the point of view of their momentary interests, a different meaning, grossly distorting the meaning of the whole article."

June 23

Conference of non-aligned countries. — "The conference of the Heads of State and Governments of the non-aligned countries will be held in Belgrade. As already known, the conference will begin its work on September 1. At present the Committee of Ambassadors in Cairo is discussing the composition of the Belgrade conference. Since the Committee has just started its discussions, no definite statement can yet be made in this respect. As for the reactions in the East and West to the conference of the non-aligned countries, it may be said that no official reaction has so far been apparent. However, very positive, as well as negative, comments can be found in the press."

Observer at the Conference. — "Some organizations have expressed their will to send the delegates of certain political parties and other bodies which support the cause of peace and the struggle against colonialism as observers to the Belgrade conference. The Committee of

Ambassadors will decide whether such wishes, i. e. suggestions will be accepted or not."

Meeting of the Congolese Parliament. — "Our view that the Congolese crisis can be solved only if the elected body of government, i. e. Parliament and the legal Central Government, come to power and re-establish the rule over the entire territory of the Republic of Congo, is already well-known in the world. From the very beginning, the Central Government, headed by Mr Gizenga, has been demanding that Parliament be convened and has therefore appealed to the United Nations and friendly countries for support. In addition to this, all resolutions passed by the United Nations General Assembly and Security Council also suggest that the Congolese Parliament should meet in the Lovanium University building on June 25, we have so far received no official documents confirming this. On the basis of the available information, however, we consider that the request to convene Parliament is a step forward towards the stabilization of the situation in Congo."

Talks on the Algerian situation. — "In connection with a statement issued by the Provisional Algerian Government suggesting that the Evian talks should be continued after the term set by France as the closing date of the talks, we can say that this statement represents another proof of goodwill and readiness to negotiate and reach a solution to the Algerian sovereignty and territorial integrity of Algeria. We wish to draw your attention to a part of the joint statement made by Presidents Tito, Sukarno and Keita, in which they tackled the Algerian problem."

Visit of the Presidents of Ghana and the Sudan. — In all probability, the President of the Ghana Republic, Dr Nkrumah, will visit Yugoslavia at the beginning of August. He will thus return the visit recently paid to Ghana by President Tito. It is also possible that President Aboud of the Sudan will soon visit Yugoslavia, as well as a Parliamentary delegation of the United Arab Republic."

Meetings and Talks

OFFICIAL

President Sukarno revisited Yugoslavia. — At President Tito's invitation, President Sukarno of Indonesia paid a friendly visit to Yugoslavia from June 15 to 17. The two Presidents conducted political talks, on which a joint communiqué was issued.

President of Mali in Yugoslavia. — At President Tito's invitation, Modibo Keita, President of the Republic of Mali, paid an official visit to Yugoslavia from June 18 to 23. President Keita met President Sukarno in Belgrade. Communiqués were issued on the talks of the three Presidents as well as on the talks between the delegations of Yugoslavia and Mali.

General Nasution in Yugoslavia. — General Abdul Haris Nasution, Minister of National Security, and Chief of the Staff of the Indonesian Armed Forces, paid an official visit to Yugoslavia from June 15 to 22. General Nasution had talks with Army-General Ivan Gošnjak and was received by President Tito.

Mate Jerković in the U. S. A. — Admiral Mate Jerković, Commander of the Yugoslav Navy, left for the United States on June 24, for an official stay of several days to visit, as guest of the U. S. Navy, a number of naval institutions there.

Lidija Šentjurs and Sergej Krajger in Norway. — Lidija Šentjurs and Sergej Krajger, members of the Federal Executive Council, stayed in Norway from June 17 to 27.

During their visit they met several members of the Norwegian Government and were received by King Olaf V.

U. A. R. Parliamentary Delegation in Yugoslavia. — A parliamentary delegation from the United Arab Republic, headed by Anwar el Sadat, President of the U. A. R. Parliament, arrived on June 26 in Yugoslavia on a ten-day visit to the Federal People's Assembly. In addition to the talks they will have with the representatives of the Federal People's Assembly, the delegation will tour various places in Serbia, Bosnia and Herzegovina, and Slovenia, and attend the celebration of the twentieth birthday of the People's Revolution at Titovo Užice.

Marjan Breclj in Warsaw. — At the invitation of the Polish Minister of Foreign Trade, Mr. Trompčinski, Marjan Breclj, member of the Federal Executive Council and State Secretary for Commodity Exchange, arrived in Poland on June 15. He paid an official visit to the International Fair at Poznan and conducted talks in Warsaw with Mr. Leš Minister of Internal Trade.

Member of Indian Government in Yugoslavia. — Professor Prasanta Tshandra Mahalanobis, member of the Council for Planning of the Government of India, arrived in Yugoslavia on June 19 on a fifteen-day visit as guest of the Federal Institute for Economic Planning of the Federal People's Republic of Yugoslavia.

Austrian Minister of Transport and Communication in Belgrade. — Karl Waldbrunner, Minister of Transport and Communication of Austria, stayed in Yugoslavia from June 16 to 26 as guest of Marin Cetinić, Secretary of the Federal Executive Council for Transport and Communication. The Austrian minister inspected a number of transport projects in Belgrade and visited several places in Croatia and Slovenia. He was received by President Tito.

Governor of Djakarta in Belgrade. — Brigade-General Dr. Sumarno, Governor of Djakarta, stayed in Yugoslavia from June 18 to 28. He visited a number of public institutions and several building sites in Belgrade and in the interior of the country. He was especially interested in the modernization of building methods.

James Laurent Grey in Belgrade. — The President of the Canadian State Organization for Atomic Energy, James Laurent Grey, stayed in Belgrade in the second half of June as guest of the Federal Committee for Nuclear Energy. During the talks he had with Aleksandar Ranković, President of the Federal Committee for Nuclear Energy, the possibilities for enlarging the co-operation between Yugoslavia and Canada in the field of peaceful uses of nuclear energy were discussed.

Director of the U.A.R. Information Office in Belgrade. — Jehija Abu Bakar, Director of the U.A.R. Information Office, arrived in Yugoslavia on June 24 on a fortnight's visit as guest of Bogdan Osolnik, Secretary for information of the Federal Executive Council. He will tour Slovenia and the Adriatic Coast and attend the Central celebration of the jubilee at Titovo Užice. s

TRADE UNIONS

Delegation of the Aden Trade Union Congress in Yugoslavia. — A delegation of the Congress of Trade Unions of Aden stayed in Yugoslavia in the second half of June. The guests from Aden had talks at the Central Council of the Federation of Trade Union of Yugoslavia and they toured Croatia and Slovenia, where they visited several working collectives.

Polish Trade Union Leaders in Belgrade. — A delegation of the Polish Union of Trade and Cooperatives arrived in Yugoslavia on a three-week visit as guests of the Central Committee of the Union of Trade, Food and Restaurant Workers of Yugoslavia.

Negotiations and Agreements

Military Agreement between Yugoslavia and Indonesia — After the Yugoslav-Indonesian political talks, an agreement on joint and technical cooperation between the armed forces of Yugoslavia and Indonesia was signed in Belgrade on June 16, in the presence of President Tito and President Sukarno. At the same time an agreement on the crediting of deliveries for the Indonesian armed forces and a protocol on these agreements were signed. The agreements were signed by Army General Ivan Gošnjak and by General Nasution.

Work of Yugoslav-Polish Committee. The third regular meeting of the Federal Institute for Economic Planning of Yugoslavia and the State Planning Commission of the People's Republic of Poland closed in Warsaw on June 23. At this meeting views were exchanged regarding the methods and instruments for long-term planning and analyses.

Yugoslav-Rumanian Negotiations on the Danube. — In the second half of June, negotiations were conducted between Yugoslavia and Rumania on the regulation of the Danube on the sector of the Djerdap Strait.

Political Diary

June 25 — The Fourth Conference of the Union of Cultural and Art Workers of Yugoslavia was held in Belgrade. The discussion was participated in by Svetozar Vukmanović-Tempo, President of the Central Council of the Federation of Trade Unions, and a new Central Board was elected.

June 27 — A meeting of the Federal Executive Council was held at which regulations on the utilization of social funds for passenger-automobiles, on the granting of credit for turn-over in the second half-year of this year, on credit transaction with foreign countries, on the granting of credit for the building of dwelling houses for workers in coal-mines etc. were enacted.

June 28 — A meeting of the Federal People's Assembly was held at which the Bill of the Basic Law on Public Roads, the Law on Enterprises for Roads, and the Bill of the Law on Insurance-Offices and Insurance Communities, were passed. The Bills were expounded by Marin Cetinić, Member of the Federal Executive Council and Secretary for Transportation and Communication.

June 28 — The Fourth Conference of the Federation of War Veterans, the Fifth Conference of the Federation of Wounded War Veterans, and the Fourth Conference of the Association of Reserve Officers and Non-Commissioned Officers of Yugoslavia, was held in Belgrade. The question on the agenda of these conferences was the merger of veteran organizations.

June 29 — A joint conference of the Federation of War Veterans, of the Federation of Wounded War Veterans, and of the Association of Reserve Officers and Non-Commissioned Officers of Yugoslavia, was held, at which it was decided to merge these three veteran organisations into one institution — the Federation of the Associations of Veterans of the People's Liberation War of Yugoslavia. The report on the tasks of this organization was submitted by Aleksandar Ranković.

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THE REVIEW OF INTERNATIONAL AFFAIRS is a forum of the free exchange of ideas by Yugoslav and foreign authors in the domain of politics and economics.

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The Review is published fortnightly in:

Serbo-Croat
English
German
French
Russian and
Spanish